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What's in the FISA Bill?

White House, Congress FISA Talks Collapse

Jefferson Office Raid Unconstitutional

THIS JUST IN:

RULES PANEL STRIKES MOLLOHAN EARMARKS
The House Rules Committee, prompted by a request from Rep. Alan Mollohan (D-WV), effectively struck three earmarks that the lawmaker himself had asked for from the Agriculture appropriations bill Wednesday night. (The Hill)

FEMA SUSPENDS USE OF DISASTER TRAILERS
The Federal Emergency Management Agency has stopped donating and selling disaster trailers while it studies reports that people living in them after hurricanes Katrina and Rita got sick from formaldehyde exposure. (Associated Press)

JUDGE BACKS CIA IN SUIT ON MEMOIR
Valerie Wilson may be the best known former intelligence operative in recent history, but a federal judge in New York ruled Wednesday that she was not allowed to say how long she worked for the Central Intelligence Agency in the memoir she plans to publish this fall. (NY Times)

DOCUMENTS SAY ARMY KNEW OF EXAM CHEATING
The Army was warned at least six years ago that its online testing program was vulnerable to cheating, and has known for nearly a year that soldiers are obtaining copies of exams and answers on the Internet to fraudulently obtain promotion points, according to military documents. (Boston Globe)

D.C. TO PAY $1 MILLION TO PROTESTORS
The District of Columbia has agreed to pay $1 million to 120 protesters who were improperly rounded up by the police


Sen. Ted Stevens (R-AK) (ustda.gov)

Senate Aide's Disclosure Shows No Payments From Stevens

By Laura McGann - August 3, 2007, 10:30 AM

If the Senate aide who has been accused of handling Sen. Ted Stevens' (R-AK) personal finances while on the government clock received separate payments from the Alaska senator, she didn't list them on her public financial disclosure in 2006, the AP reports

Roll Call reported yesterday that the aide, Barbara Flanders, didn't disclose any additional personal income in 2007 either.

Flanders' involvement in the ethics scandal aired Tuesday when press reports said she testified before a grand jury about Stevens' finances and provided documents. Flanders is a former personal aide to Stevens and now is supposed to work full time for the Senate Commerce, Science and Transportation Committee. It appears she also handles Stevens' bills. If she wasn't paid for this work, Stevens should have listed her services as a gift on his own disclosure forms, which he has not done. If accurate, this kind of an arrangement is a violation of federal law.

Stevens' office offered a vague denial of wrongdoing:

> Stevens' spokesman, Aaron Saunders, said in an e-mailed statement: "As the former chairman of the Senate Ethics and Rules Committees, Senator Stevens has vast knowledge and experience with the Senate rules. He has long-standing office policies that are consistent with these rules, including personally compensating staff members for performing tasks that are outside their official duties."

Permalink | Comments (20) | TOPICS: Ted Stevens

FBI "Gestapo-like" In Raid Of Stevens' Home

By Laura McGann - August 2, 2007, 5:44 PM

Sen. Larry Craig (R-ID) called the tactics used by FBI and IRS agents who raided Sen. Ted Stevens (R-AK) home "Gestapo-like" today, the Crypt reports.

Craig's main objection seems to be that the agents could have parked a large

FBI - Stevens-848

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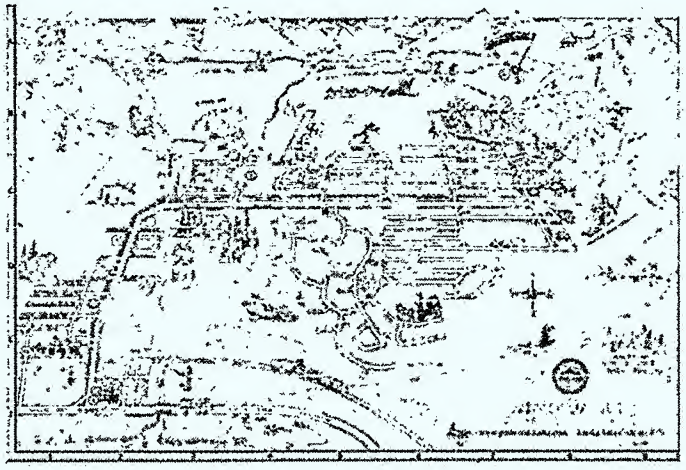

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white truck in front of Stevens' Girdwood home, photographed it and the neighboring property and carried out black trash bags (presumably filled with evidence) much more discreetly than they did. Maybe Craig's never been to Girdwood, because I just consulted our handy Girdwood map and it looks like it might have been tough for a dozen federal agents to have shown up at the most famous Alaskan's house without any of the neighbors noticing:



From the Crypt:

> "I think some people say, 'Ah, but for the grace of God go I.' Especially when you have the allegatiatons, you have the judicial segment of our government, the executive branch, out raiding the homes of senators, that is a very frightening proposition. It is a bit Gestapo-like in its style and tactics," Craig said on Wednesday. "When the FBI was offered a key and invited into the home, they chose publicize it to make sure the media was there first, and they broke in. That is gamesmanship. That makes senators very, very angry when they attempt to cooperate when for reason they are caught in these webs and yet they are denied that for the sake of the judciary's publicity. That is wrong.''

Permalink | Comments (24) | TOPICS: Ted Stevens



Uncle Ted's Eateries

By Laura McGann - August 1, 2007, 6:35 PM

Planning to eat at Uncle Ted's tonight? If you are, plan on canceling.

A former aide to Sen. Ted Stevens (R-AK) filed papers in 2004 to create a restaurant company called Uncle Ted's Alaska LLC. But, unfortunately, it looks like the aide got cold feet last year, right around the time his boss' criminal investigation came to light. A few weeks following *The Anchorage Daily News'* initial coverage of the scandal, the aide, Trevor McCabe, dissolved the company. "Decision not to pursue original business idea," is the only explanation.

FBI - Stevens-849

According to documents McCabe filed with the state, he was registered to run eating and drinking places, food stores and miscellaneous retail stores. Perhaps he had a vision for a chain restaurant devoted to foods loved by Stevens, who is

known as "Uncle Ted" up in his home state. Alas, we'll never know (we can only offer our suggestion of "Big Boy" inspired icon). I can imagine a mean salmon sandwich, you could even call it a "Murkowski" for fun. Certainly pork (ribs? chop? roast?) would have been in generous supply.

This wouldn't have been the first time that McCabe used his relationship with Stevens for his benefit -- a connection that's become clearer due to the federal investigation of Stevens. He served on a marketing boardwith Stevens' son, Ben Stevens, that provided federal grants to the seafood industry, while they were paid "consulting fees" by the same companies receiving the money. He also benefited from a string of the elder Stevens' earmarks that have come under FBI scrutiny.

Permalink | Comments (17) | TOPICS: Ted Stevens



Sen.Ted Stevens (R-AK) (ustda.gov)

Company Tied To Stevens Fishery Scandal Got $3.5 Million Earmark

By Laura McGann - August 1, 2007, 12:54 PM

One of the companies involved in the widening federal probe into Alaska political corruption is positioned to benefit handsomely from a $3.5 million earmark tucked into a 2008 Senate spending bill by Sen. Ted Stevens (R-AK), CQ reports.

The company, Trident Seafoods Corp., was one of several that received federal money via a local board headed by Stevens' son, **Ben Stevens**. While the younger Stevens dolled out federal grants supplied by his father, he received "consulting fees" from an association formed by the same companies winning the grants. Trident CEO Charles Bundrant contributed $6,700 to the elder Stevens' campaign and affiliated PACs since 2004. He also gave the National Republican Senatorial Committee $35,000 between 2005 and 2007.

The earmark CQ notes is for an airstrip that would service seafood giant Trident, and the *100* Alaskans who live in Akutan.

> Trident and Stevens are no strangers. For years, company founder and Chief Executive Charles Bundrant has been a generous contributor to the Alaska Republican's campaigns. And in December, according to the Seattle Times, a federal grand jury investigating political corruption in Alaska ordered Trident and other seafood companies to produce documents detailing financial ties to the senator's son, former Alaska Fisheries Marketing Board Chairman Ben Stevens.

FBI - Stevens-850

Permalink | Comments (24) | TOPICS: Ben Stevens : Ted Stevens



Senate Leadership Backs Stevens

By Laura McGann - August 1, 2007, 11:52 AM

Members of the Senate leadership told *The Hill* that Sen. Ted Stevens (R-AK) should be allowed to keep his committee seats.


Sen. Ted Stevens (R-AK) (WDCPIX.com)

Two watchdog groups have pushed to have Stevens temporarily removed from his committee assignments until the conclusion of a federal criminal investigation looking into his dealings with oil services company Veco and a series of earmarks that benefited one of his pet projects in Alaska.

Unlike in the House, the Senate has adopted a "wait and see" posture:

> Senate Majority Leader Harry Reid (D-Nev.) and Minority Leader Mitch McConnell (R-Ky.) both said Tuesday that Stevens could continue serving on his Senate panels, since charges have not been brought against him.
>
> "My personal feeling is that we have to be very careful about punishing people during an investigation," Reid, a former longtime appropriator, said Tuesday. "I don't know anything about the Stevens investigation, but I'm not going to be in a position where just because someone's under investigation they're punished here in the Senate."

Permalink | Comments (28) | TOPICS: Ted Stevens

Stevens Vows To Block Ethics Bill

By Laura McGann - July 31, 2007, 6:47 PM

Just when we thought there was no more Sen. Ted Stevens (R-AK) news for the day, **John Bresnahan** hears that he's promising to block ethics legislation.

You couldn't make this up:

> Republican Sen. Ted Stevens, whose home back in Alaska was raided by federal investigators Monday in a wide-ranging corruption investigation, has threatened to place a hold on the Democratic-drafted ethics legislation just passed by the House and expected on the Senate floor by week's end.
>
> The senator told a closed session of fellow Republicans today, including Vice President Dick Cheney, that he was upset that the measure would interfere with his travel to and from Alaska – and vowed to block it.
>
> And Sen. Larry Craig (R-Idaho), confirming Stevens' threat, said bluntly: "There could be a lot of holds on this bill."

Permalink | Comments (40) | TOPICS: Ted Stevens



Stevens' Financial Clerk Testifies Before Grand Jury

By Laura McGann - July 31, 2007, 3:05 PM

A Senate clerk for Sen. Ted Stevens (R-AK) has testified before a grand jury about the remodeling of the senator's home overseen by Veco, the AP reports.

The Commerce Committee clerk, Barbara Flanders, who assisted Stevens with his personal financial records, also handed over documents related to the

FBI - Stevens-851

s [redacted] finances and testified [redacted] she knew about how the murky home remodeling project bills were paid.

Sen.Ted Stevens (R-AK) (WDCPIX.com)

Flanders is not the first Capital Hill staffer to be brought in to the investigation. Some of Stevens' former aides have already been questionedby the FBI.

Stevens has artfully claimed he paid every bill he received for the work done on his house. But the contractor on the job has described a suspicious payment process. The contractor, Augie Paone, said he would submit invoices to Veco (the major oil services company up in Alaska) and then would receive payment from Stevens. Paone also said the checks were all coming from a special account set up for the job.

The AP also confirms that Interior Department investigators have joined in the investigation, probing a series of earmarks Stevens obtained: "The Interior Department's inspector general and the Commerce Department have also joined the case to investigate Stevens' connections with a Seward, Alaska, marine science organization that operates the Alaska SeaLife Center."

Permalink | Comments (14) | TOPICS: Ted Stevens : Veco



Sen.Ted Stevens (R-AK) (WDCPIX.com)

Stevens Investigation Broader Than Veco Home Makeover

By Laura McGann - July 31, 2007, 12:15 PM

It's official: the FBI is looking into more than Sen. Ted Stevens' Veco-overseen remodeling project. **Roll Call** reports that the FBI and the Department of Interior are also looking into a series of earmarks for one of Stevens' pet projects.

The project, the Alaska SeaLife Center in Seaward, Alaska, has received some $50 million in federal money since 1998. One of Stevens' former aides, Trevor McCabe, was paid $558,000 of that money for an adjacent piece of land. Federal investigators want to know more about the arrangement.

It wasn't the only time that federal money found its way to McCabe's pocket. McCabe is also tied to the federal investigation of Stevens' son, former state Senate President Ben Stevens. The FBIraided the younger Stevens' offices last year, gathering documents related to his time on an Alaska boardhat handed out millions in federal grants to the seafood industry. While Stevens was on the board, he partnered with McCabe in a consulting company that took fees from the companies that received the federal money. The older Stevens saw to it that the board was stocked with federal funds.

If the three-pronged federal investigation into Stevens run by the IRS, FBI and Interior Department doesn't impress you, *Roll Call* mentions that the raid of a US senator's home is ahistorical moment in Congressional corruption: "Stevens appears to be the only member of the Senate to have ever had his residence raided by the FBI."

FBI - Stevens-852

Permalink | Comments (9) | TOPICS: Ted Stevens



CREW: Stevens Should Step Down from DoJ Committee Spot

By Paul Kiel - July 31, 2007, 11:48 AM


Sen. Ted Stevens (R-AK) (ustda.gov)

Another D.C. watchdog, Citizens for Responsibility and Ethics in Washington, has joined the call for Sen. Ted Stevens (R-AK) to relinquish his committee seats, this time focusing on Stevens' seat on the committee that funds the Justice Department. Says CREW director Melanie Sloan:

> "Senators should follow the lead of their House colleagues and require anyone whose property has been searched in connection with a criminal probe to relinquish his plum committee post. Senator Stevens, who sits on the subcommittee responsible for funding the Justice Department, which is conducting a probe into his potentially criminal activities, should immediately resign his position on the Appropriations committee."

A similar situation occurred in the House earlier this year, where Rep. Alan Mollohan (D-WV), who's been under federal investigation since last April, did not step down from his chairmanshipof the panel that oversees the Justice Department's budget. Mollohan, however, recusedhimself from Department matters. That recusal has been called into question, however. *Roll Call* reported (sub. req.) yesterday that Mollohan nevertheless voted against an amendment last week that would have increased the FBI's budget by $6 million.

Permalink | Comments (4) | TOPICS: Ted Stevens

Watchdog: Stevens Should Step Down from Committee Posts

By Paul Kiel - July 31, 2007, 10:48 AM

Below is the letter the nonpartisan D.C. watchdog Taxpayers for Common Sense sent to Senate Minority Leader Mitch McConnell (R-KY) this morning asking that Sen. Ted Stevens (R-AK) get the temporary boot from his committee seats.

The letter:

FBI - Stevens-853

The Honorable Mitch McConnell Minority Leader United States Senate Washington, DC 20510

July 31, 2007

Dear Leader McConnell:

I'm writing to request that you ask Senator Ted Stevens (R-AK) to temporarily recuse himself from his committee assignments until the federal criminal investigation into his activities has been resolved.

Under Minority Leader John Boehner (R-OH), House Republican leadership have created a precedent of self-policing by asking lawmakers under federal investigation to leave their committee assignments until the investigation is completed, particularly after a search warrant has been executed on their home or business. By urging Rep. Rick Rienzi (R-AZ) and Rep. John Doolittle (R-CA) to leave their committee assignments, Leader Boehner drew a proverbial ethics line in the sand that he will not cross. Now that a search warrant has been issued and executed in his home, it is time for Senator Stevens to do the right thing and step down from his committee assignments.

We don't make this request lightly. Senator Stevens has served the people of Alaska in the Senate for 37 years. Like every target of a federal investigation or criminal defendant, Senator Stevens is entitled to due process and remains innocent until proven otherwise. But the standard for holding a powerful committee position should not hinge on the absence of a criminal conviction. Even the appearance of using public office for personal profit undermines public confidence in Congress. A judicial finding of probable cause that a search of the Senator's home would produce evidence of a crime certainly has the effect of harming the public trust.

There is growing evidence that Senator Stevens may have used his powerful perch on the appropriations committee to direct tens of millions of dollars of earmarks to benefit family, friends, business partners and former staff. We think you would agree that the use of public office for personal profit in any way, shape, or form cannot be condoned. Indecisiveness will harm the public trust and current Senate efforts on ethics reform. The Senate needs to take decisive action to show taxpayers that self-dealing will not be tolerated.

Thank you for your attention on this matter.

Sincerely,

Ryan Alexander
President
Taxpayers for Common Sense

FBI - Stevens-854

Permalink | Comments (9) | TOPICS: Ted Stevens



Today's Must Read

By Laura McGann - July 31, 2007, 10:08 AM

Two dozen FBI and the IRS agents took a close look yesterday at the infamous remodeling job overseen by Veco Corp. that doubledthe size of Sen. Ted Stevens' (R-AK) home, snagging him in the widening probe into Alaska political corruption .


Sen.Ted Stevens (R-AK) (WDCPIX.com)

orful details.

The agents were at Stevens' improved home in the small town of Girdwood with curtains drawn well into the night -- collecting evidence and shooting photos and video of the house and neighboring property. The FBI and IRS declined to comment on the raid, but a reporter perched outside Stevens' home got a pretty good idea of what was going on:

> The agents were obviously cataloging the house and its fixtures, from light switches and electrical outlets to a big stainless steel barbecue grill on a second-floor deck that neighbors said was hoisted there with a crane. At one point, agents climbed on the pitched metal roof to take pictures of heat tape in the gutters.
>
> One agent carried a full large black garbage bag out of the house and put it in the white truck.

Stevens, who is the most senior Republican in the Senate, sits on the Commerce, Science and Transportation and Appropriations committees. Known for his aggressive earmarking, watchdog group Taxpayers for Common Sense will ask Senate Minority Leader Mitch McConnell (R-KY) to temporarily remove Stevens from his posts until the federal investigation ends, according to Roll Call (sub req.):

> According to a source with the group, this will be the first time TCS has ever made such an appeal. But the organization will argue in a letter to McConnell that given the current public concern with Congressional ethics, he should take a path similar to one the House GOP leadership has followed and request that Stevens relinquish his seats on the two powerful committees until the investigation is completed....
>
> In the letter, TCS President Ryan Alexander will argue that McConnell should ask Stevens to step down "until this federal investigation can be resolved and the public trust restored," said the source, who spoke on condition of anonymity because the letter had not yet been completed as of this posting.

Stevens' son, former state Senate President Ben Stevens has been implicated in receiving questionable payments from Veco executives, and Rep. Don Young (R-AK) is under federal investigation for his ties to the company as well.

Update: See the letter from Taxpayers for Common Sense here

Permalink | Comments (23) | TOPICS: Must Read : Ted Stevens

FBI - Stevens-855

BREAKING: FBI Raids Stevens Alaska Home

By Paul Kiel - July 30, 2007, 6:51 PM

From the Anchorage Daily News:

> Federal law enforcement agents are currently searching the Girdwood home of Alaska U.S. Sen. Ted Stevens, an FBI agent said.

> "All I can say is that agents from the FBI and IRS are currently conducting a search at that residence," said Dave Heller, the assistant special agent in charge of the FBI's Anchorage office. The search began this afternoon, he said.

That's the same home, of course, that was doubled by a renovation undertaken in 2000 -- the contractor, curiously, was Veco, the corrupt oil company. Veco, prosecutors have pointed out "was not in the business of residential construction or remodeling." And that's not all that's curious about the renovation.

Permalink | Comments (26) | TOPICS: Ted Stevens



Rep. Don Young (R-AK) (House Website)

Don Young Under Federal Criminal Investigation

By Laura McGann - July 24, 2007, 9:09 PM

The Wall Street Journal reports that 18-term Rep. Don Young (R-AK) is under criminal investigation for his dealings with Alaska oil services company Veco Corp.

While the investigation into Sen. Ted Stevens' (R-AK) ties to Veco, including the remodelingof his Girdwood home, has been widely reported, this is the first time Young has been implicated in the scandal.

It looks like an annual pig-roast fundraiser snared the congressman known for huge pork projects, including the infamous "Bridge to Nowhere."

From *The Journal*:

> For a decade, former VECO Chief Executive Bill Allen has held fund-raisers for Mr. Young in Anchorage every August, known as "The Pig Roast," participants said. Public records show contributions to Mr. Young of at least $157,000 from VECO employees and its political-action committee between 1996 and 2006, the last year the event was held.
>
> Mr. Young amended his campaign-finance filings in January to reflect $38,000 in payments to Mr. Allen, the former VECO chief. The refunds, which haven't previously been reported, were labeled "fund-raising costs" in documents filed with the Federal Election Commission.

Veco has been the recipient of a variety of federal contracts, but it's still not clear what the company would have received in exchange for all of its alleged bribes.

Permalink | Comments (29) | TOPICS: Don Young : Ted Stevens

FBI - Stevens-856



Ted Stevens Foundation Late To Register, Pay Fees

By Laura McGann - July 24, 2007, 5:48 PM

The Ted Stevens Foundation was founded in 2000 aiming to serve a variety of admirable causes and work on "educating and informing the public about the career of Senator Ted Stevens." The extent of its charitable


Sen.Ted Stevens (R-AK) (WDCPIX.com)

filing a FOIA request with Alaska, the **Sunlight Foundation**discovered that the group has failed to pay its dues and register with the state for last three years.

A shortage of money isn't their excuse. Back in 2005 The Ted Stevens Foundation, which was renamed North to the Future Foundation last year, had net assets of $1.7 million in 2004 and $2.3 million in 2005.

Besides spreading the word about Stevens' accomplishments, the group also aims "to make grants to other public charities and to provide programs which educate, encourage communication, relieve poverty and promote community welfare throughout the state of Alaska and the United States."

How successful has it been at giving out money? According to Sunlight's research:

> Between 2003 and 2005 the foundation has spent more than $380,000 on fundraisers but has given out only two grants: one for $40,000 to the Smithsonian Institute in 2004 and $10,000 to the Anchorage Rowing Association in 2005, according to the 990s.

So, then, what does this non-profit actually do? Back in 2004 *The Washington Post* ran an editorial taking a guess at the real purpose: to shake down lobbyists for the benefit of sitting politicians.

At an event held at the Capital Hilton in 2004, The Ted Stevens Foundation aimed raise $2 million with tables going for $50,000 each. Some lucky donors had a VIP at their table -- one of the two thirds of the Senate members that attended. At the time, Stevens was the chair of the Appropriations Committee and lobbyists were happy to donate to his "charity" for a little time by his ear.

The Washington Post editorial cuts at the heart of the problem with this kind of a "non-profit":

> When foundations like this are set up for the benefit of sitting lawmakers, requests for contributions have the inevitable air of a shakedown: What lobbyist with an interest in appropriations matters would fail to give to Mr. Stevens's charity? Meanwhile, the money can come from corporations that are prohibited from giving directly to the senator's reelection campaign, and in far larger denominations than ordinary campaign contributions. All of this activity is subsidized by the taxpayers, since contributions to the fund are tax-deductible. Most disturbing of all, the Stevens foundation -- unlike some of the other charities with ties to lawmakers -- doesn't plan to disclose its donors or the amounts they give.

FBI - Stevens-857

Permalink | Comments (11) | TOPICS: Ted Stevens



Stevens To Walk Backward Through Alaska

By Laura McGann - July 23, 2007, 5:29 PM

Sen. Ted Stevens (R-AK) announced his plans this week to start an Alaska awareness program where he'll guide



Sen.Ted Stevens (R-AK) (ustda.gov)

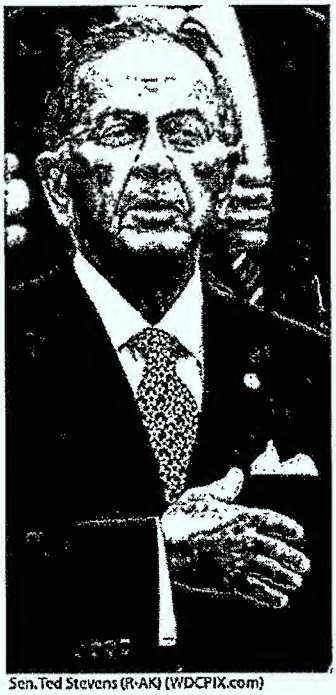
demonstrate its unique needs -- which require lots of federal funds.

The guided tours will show capital politicos (maybe bloggers, too?) how vast and remote the state really is, especially for those in rural villages.

Interestingly, Stevens had a specific rule for the press conference where he unveiled his plan:

> Stevens said he wouldn't answer any questions with the word "investigation" in them, which ruled out questions about the federal inquiry into renovations that doubled the size of his Girdwood home in 2000. No charges have been brought, but a federal grand jury has questioned people involved with it.

Permalink | Comments (17) | TOPICS: Ted Stevens


Sen.Ted Stevens (R-AK) (WDCPIX.com)

Stevens' Artful Dodge

By Laura McGann - July 18, 2007, 2:42 PM

Sen. Ted Stevens (R-AK) gave an artful explanation of how he paid for the remodeling of his home yesterday -- so flagrantly artful that quite a few TPM readers have written in to flag it as a "non-denial denial."

The longest-serving Republican senator was defending himself from accusations that oil-services company Veco Corp. paid for the renovation project that doubled the size of his Girdwood, Alaska house in 2000. A grand jury in Washington has started looking into the job because of Veco's bizarre role as general contractor.

> As a practical matter, I will tell you. We paid every bill that was given to us. Every bill that was sent to us has been paid, personally, with our own money, and that's all there is to it. It's our own money.

Notice Stevens didn't say he paid for the whole job: he paid for what he was sent.

FBI - Stevens-858

And who was sending him the invoices?

According to the sub-contractor, **Augie Paone**, who was hired by Veco to handle the construction work, he would give his bills to Veco (not Stevens) for review. Then, payment from Stevens would arrive in the mail. The checks all came from a special account set up specifically for the remodeling job, Paone told the press a few months ago. He recently hired a lawyer and is no longer speaking publicly.

We haven't received a response on our request for clarification from Stevens' office.

Permalink | Comments (18) | TOPICS: Ted Stevens : Veco


Sen.Ted Stevens (R-AK) (WDCPIX.com)

Stevens Needs Second Disclosure Extension

By Laura McGann - July 17, 2007, 11:45 AM

Sen. Ted Stevens (R-AK) is getting another extension to file his financial disclosure forms:

> Spokesman Aaron Saunders said he could not elaborate on what changes needed to be made and issued a brief written statement.
>
> "The Ethics Committee has completed its review and has asked Senator Stevens to make a few technical clarifications to his disclosure," the statement said. "To make these minor adjustments, the Committee has granted the Senator another extension."

The disclosure paperwork was due May 15, but Stevens missedhat deadline. He skirted it by asking the Senate Ethics Committee to review his finances from the previous year. Other lawmakers facing legal troubles, like Rep. John T. Doolittle (R-CA) and Sen. Robert Menendez (D-NJ), did the same.

Permalink | Comments (15) | TOPICS: Ted Stevens


Sen.Ted Stevens (R-AK) (WDCPIX.com)

Stevens' Popularity Sinks To New Low

By Laura McGann - July 16, 2007, 11:26 AM

I'll bet he hopes the grand jury has a better opinion of him.

A new poll shows that only 44% of Anchorage voters have a positive attitude about Sen. Ted Stevens (R-AK).

That's quite a dip for Stevens, according to pollster Ivan Moore, who said that between September 2005 and April 2007 the senator's popularity rating ranged between 58 percent and 63 percent.

Stevens isn't too concerned:

> "Moore is an opinion-making pollster, not an opinion-taking pollster," Stevens told the Fairbanks Daily News-Miner.

FBI - Stevens-859

Permalink | Comments (7) | TOPICS: Ted Stevens

Alaska Lawmakers to Get Ethics Refresher

By Laura McGann - July 13, 2007, 11:49 AM

Sharpen those number 2 pencils, Alaska lawmakers. In a move to combat the corruption scandals that launched the FBI's probe into the state's politics, a new

state law requires legislators to undergo ethics training.

Gov. Sarah Palin signed the law earlier this week, right after former state Rep. Tom Anderson (R) was found guilty of seven counts of extortion, bribery, conspiracy and money laundering. Anderson was accused of taking bribes from the private prison industry in exchange for pushing for facilities across the state.

The legislature hopes the new law will help clean up its image.

> House Bill 109 tightens up the definition of bribery, requires legislators to make financial disclosures when leaving office, puts new disclosure requirements on consulting fees and meals purchased by lobbyists for lawmakers and makes numerous other clarifications in laws applying to both the executive and legislative branches.

Permalink | Comments (7) | TOPICS: Ted Stevens



Sen.Ted Stevens (R-AK) (WDCPIX.com)

The Senate: One Happy Family

By Laura McGann - July 11, 2007, 2:40 PM

The family that's investigated together, stays together.

Sen. Ted Stevens' (R-AK) said his fellow senators have stood by him now that he faces federal scrutiny for his involvement with oil field services company Veco Corp.

During an interview with reporters last week in Alaska, a local public radio station grabbed audio of Stevens saying:

> There is sort of a cloud out there, but it's not harmed my role as a senator for Alaska, if anything, it's is a strange thing, it's enhanced it because senators read papers too, and it's sort of a family, the senate family comes around when someone's got a problem. And they've all encouraged me: "Don't get excited about this because so many people have been through it in their own states and it's not an easy thing."

Too bad Sen. Conrad Burns (R-MT) wasn't around to provide a shoulder to cry on.

The audio is online here.

FBI - Stevens-860

Permalink | Comments (8) | TOPICS: Ted Stevens



Stevens Secured Big Federal Money For Business Partners

By Laura McGann - July 10, 2007, 11:14 AM

The federal government has been very good to two of Sen. Ted Stevens' (R-AK) business partners, Leonard


Sen. Ted Stevens (R-AK) (WDCPIX.com)

b. req.) John Stanton of *Roll Call*.

In 2004, Stevens slipped them a $3.5 million earmark for an empty plot of land in Anchorage that was to be used by the National Archives and Records Administration. The deal meant $2 million profit for Hyde and Rubini.

What's happened since the initial windfall for Stevens' business partners? Not much:

> Since the land deal was finished, federal funding has slowed significantly for the project. Despite a price tag of at least $29 million in construction costs, Stevens appears to have taken only modest interest in securing funding for the project since the land transfer. Stevens set aside $3 million in 2005 for site preparation, while the archives earmark diminished to just $1.9 million last year.
>
> However, according to a May 11, 2007, Anchorage Daily News story, $290,000 tagged for the construction has been reprogrammed for a new speed-skating-rink project being planned next to the NARA land. Stevens also secured a $940,000 earmark specifically for the skating rink in 2004, according to the story.

Stevens' help to secure federal money for business contacts is atypical. *Roll Call* surveyed the senators seated on the 29-member committee about whether any of their business ties receive federal dollars:

> Of the 19 Senate Appropriations Committee members whose offices responded to requests for comment, out of 29 on the committee, Stevens was one of only two members who disclosed a direct business relationship between themselves or their spouses and an entity that receives federal funds — and was the only member of the powerful committee who has such a relationship himself.

Stevens is already in trouble with federal investigators for allowing an oil services company to oversee the renovation of his home in Alaska. He was quoted yesterday by the Associated Press saying the probe "could cause me some trouble."

Permalink | Comments (10) | TOPICS: Ted Stevens



Stevens: Investigation "Could Cause Me Some Trouble"

By Laura McGann - July 9, 2007, 3:45 PM

Sen. Ted Stevens (R-AK) told the Associated Press that the ongoing federal probe into his dealings with oil services company Veco could have ramifications at the polls:

"The worst thing about this

FBI - Stevens-861

[redacted] investigation is [redacted] nge your life in terms of employment potential," Stevens said in an interview with The Associated Press. "It doesn't matter what anyone says, it does shake you up. If this is still hanging around a year from November, it could cause me some trouble."

Sen.Ted Stevens (R-AK) (WDCPIX.com)

Stevens also commented on his home remodeling project overseen by Veco that's reportedly of interest to investigators:

> "I'm working to get this concept out of my mind that someone is trying to make something illegal out of all this, That's what's really disturbing."

While Stevens was in Washington, Veco executives made sure his house was safely ratcheted off the ground and a new first story slipped in.

Permalink | Comments (15) | TOPICS: Ted Stevens : Veco



Sen.Ted Stevens (R-AK) (WDCPIX.com)

Kenai River Classic: Where Politicians And CEOs Go Fishing

By Laura McGann - July 9, 2007, 3:23 PM

This weekend the annual Kenai River Classic brought together members of Congress, like Sen. Ted Stevens (R-AK), and heads of major defense companies to help raise $1 million for Alaska salmon habitat preservation.

The 200 or so participants (who each contributed at least $4,000) were shown a good time. They fished the Kenai River for giant king salmon where a hospitality boat handed out bloody marys and cigars and they wined and dined along the riverfront. The *Anchorage Daily News* has two great photos you can see here.

The annual event has gone on for 14 years, drawing major corporations as donors, including Lockheed Martin, Northrop Grumman, Raytheon, Boeing and the heavily-investigated BAE Systems.

But some locals have piped up about the invitational, saying it does more harm than good. This year, the Kenai Area Fisherman's Coalition took out an opposition ad in the print edition of the local paper to complain about the environmental and community damage caused by the event. You can see the print ad here. The group, which includes 10 fish biologists, calls the message of the fundraiser disingenuous, arguing that the money ends up promoting non-sustainable growth along the river, ultimately hurting the habitat. The alliance is also rallying against the murky politicking taking place.

FBI - Stevens-862

"People get seduced by 'were helping save the river," said Ken Tarbox, who is a member of fisherman's group. "Lockheed Martin doesn't care about this river. A lot of people in the community here would not support this if they knew what was going on."

Tarbox, and others, have said what is really going on is favor swapping. The ad highlights what Stevens said at the 2002 River Classic, as captured by the *Anchorage Daily News*:

> "We invite people we think can afford to put a contribution into the till," [Stevens] said, "and people they want to meet."

By we, Stevens likely meant his co-host Bob Penney and himself. Penney is a longtime campaign contributor who co-owns a racehorse with the senator and has brought Stevens in on at least one incredibldand deal. Penney also testified before a grand jury as part of the ongoing and expanding federal probe of Sen. Stevens and Republican state lawmakers.

Permalink | Comments (8) | TOPICS: Ted Stevens

Ted Stevens Hires Ollie North's Lawyer

By Laura McGann - July 2, 2007, 6:16 PM

Taking his lead from Oliver North, Sen. Ted Stevens (R-AK) has hired Brendan V. Sullivan, Washington's most expensive and most powerful lawyer, *The Washingtonian* reports.

The move makes it look like Stevens isn't taking any chances in the ongoing federal probe into his dealings with Alaska oil services company Veco Corp.

Sullivan is used to going to bat for heavy weight defendants, including North, former HUD Secretary Henry Cisneros, who pled guilty to a single misdeamenor at the end of a $9 million probe, and four FBI agents involved in the 1992 Ruby Ridge shootout.

Permalink | Comments (5) | TOPICS: Ted Stevens



Sen.Ted Stevens (R-AK) (ustda.gov)

Retired Fisherman Spoke With FBI About Stevenses

By Laura McGann - June 26, 2007, 6:17 PM

While former state Senate President Ben Stevens (R-AK) headed a seafood grant board that his father, Sen. Ted Stevens (R-AK) funded with millions in federal dollars, the younger Stevens took in thousands of dollars in consulting fees from the very companies that won the allocations. At least some of those fees, one retired Alaska fisherman has said under oath, were veiled bribes.

The fisherman, Victor Smith, spoke with the FBI in Seattle last year, just before a grand jury in Alaska issued at least three fisheries subpoenas. Smith said the agents wanted information on how the Stevenses were connected to the fishery scandal that he and others have complained and written about for years. "They were mainly interested in payments to Ben Stevens and anything I had related to Ted Stevens," Smith told me.

FBI - Stevens-863

In a signed affidavit (available here), Smith recounts a meeting between two affiliated fishery associations where the head of one group fielded a question from a member. The member wanted to know how Ben Stevens would be paid $500,000 now that his father had gotten $53 million for a project that would benefit the industry. According to Smith's affidavit:

> * The reply from Zuanich was "I'm confident that, with a little convoluted accounting, we can keep the payments to Ben Stevens off of PSVOA's books."

Since 2001, the younger Stevens has pulled in upwards of $775,435 in consulting fees, according to the *Anchorage Daily News*. Though, the Alaska Public Offices Commission recently fined Stevens $5,630 for failing to disclose $480,000 in payments he received from various companies. The complaint against Stevens was filed by former Alaska state representative Ray Metcalfe who has followed Stevens' relationship with the fisheries for years. Metcalfe estimates that Stevens has been paid at least $904,000 in fees by fisheries between 2000 and 2005. Smith's affidavit was included in the complaint.

Stevens was already roped into the ongoing federal investigation in Alaska when an executive at oil services company Veco Corp. pled guilty in May to bribing him with $240,000. His father is also under investigation for his dealings with Veco as well, including for having his home remodeled under the company's oversight.

Permalink | Comments (22) | TOPICS: Ted Stevens



Sen.Ted Stevens (R-AK) (WDCPIX.com)

More Reasons For A Far Away Stevens Investigation

By Laura McGann - June 26, 2007, 2:09 PM

We noted last week that a Washington, DC grand jury -- rather than one in Anchorage --is investigating Sen. Ted Stevens' (R-AK) shifty involvement with oil services company Veco Corp. Today the *Anchorage Daily News* offers more fodder for why federal investigators would want to set up shop so far from home.

The story is about the headache prosecutors are nursing in selecting a jury for the trial of former state Rep. Tom Andseron (R-AK). Anderson is charged with taking $24,000 in bribes from a company hoping to build a number of private prisons in Alaska. Though the case is not directly tied to the Veco scandal, Anderson was a Veco consultant while in office.

Prosecutors are hitting two problems with potential jurors that cut in opposite directions: their apparent low regard for local politicians and the inevitable ties within a small community. Here's what two rejected jury candidates had to say about Anderson:

> "I've already made up my mind," Donald Burns of Soldotna told a U.S. District Court judge on Monday. Burns, wearing a T-shirt and a baseball cap, said he listens to talk radio, watches TV news and reads two newspapers. "I hope they hang him," he said.
>
> ...
>
> When longtime Anchorage resident Hannah Davis heard about the charges against Anderson, her reaction was, "Oh no, not another one," she told the judge. Too often, people in power, from Anchorage to Washington, D.C., use their positions for personal gain, she said.

FBI - Stevens-864

As for community ties, one potential juror said she had gone on a date with Anderson and said she found the accusations "kind of unbelievable."

How a potential jury would receive Stevens if he were ever on trial is hard to say. Stevens has been in office since 1968 and is an Alaska icon, bringing his

state millions in federal dollars. His re-election campaign has already raked in $1 million and no viable competitor has stepped up to the plate. But some in the state have called him less popular and morevulnerable than in past elections. However a jury might cut for Stevens, it's clear that a prosecutor won't find 12 Alaskans who've never heard of him.

Permalink | Comments (22) | TOPICS: Ted Stevens : Veco



Alaska state Sen. Ben Stevens, R (WDCPIX.com)

Fisheries Netted In Federal Alaska Probe

By Laura McGann - June 22, 2007, 6:00 PM

Sen. Ted Stevens (R-AK) had his son, former state Senate President Ben Stevens, head a board that distributed $12 million in federal grants to promote seafood companies that, at the same time, paid the younger Stevens upward of $775,000 in "consulting fees."

This arrangement has caught the FBI's attention. Last fall, at least three fisheries were issued grand jury subpoenas to hand over documents related to the lobbying and consulting work provided by the younger Stevens and a former aide to Sen. Stevens, Trevor McCabe. The subpoenas also sought any documents connected to the older Stevens. Two of the companies are based in Seattle, and another is in Juneau.

Since 2001, companies in the industry have paid Stevens upwards of $775,435 in "consulting fees," the *Anchorage Daily News* has reported, for work that Stevens has never publicly explained. Others have said Stevens has pulled in even more fees. The Alaska Public Offices Commission recently fined Stevens $5,630 for failing to disclose $480,000 in payments he received from various companies. Thecomplaint (pdf) against Stevens was filed by former Alaska state representative Ray Metcalfe who has followed Stevens' relationship with the fisheries for years. Metcalfe estimates that Stevens has been paid at least $904,000 in fees by fisheries between 2000 and 2005.

Stevens' arrangement with the seafood industry is strikingly similar to his setup with the oil services company, Veco. Former chief executive of Veco pled guilty just a few weeks ago to bribery charges, including paying Stevens $240,000 in "consulting fees" as a bribe for favorable legislation. The media focus on the probe in Alaska has so far been on Veco, but it looks like there is plenty of fishery work for the grand jury to investigate.

Permalink | Comments (24) | TOPICS: Ted Stevens : Veco



Stevens' Friend That Testified Is Also Business Partner

FBI - Stevens-865

By Laura McGann - June 21, 2007, 6:17 PM

Anchorage real estate developer Bob Penney, who testified before a grand jury about the bribery scandal in Alaska, is good to his friend Sen. Ted Stevens (R-AK).

So good that he brought Stevens in on a real estate deal that fetched the senior


Sen.Ted Stevens (R-AK) (ustda.gov)

vestment in just five years. The investment, reported by The Anchorage Daily News in 2004, sheds some light on the financial ties between the two (via Nexis):

> Penney said he and his business partners invited Stevens to join them in "appreciation for all he's done for Alaska and the country. We respect him very, very much."

The group of investors purchased a 96-acre plot 30 miles outside of Salt Lake City, Utah in a growing area with a plan to sell off individual pieces over the course of ten years. Stevens' $15,000 ballooned to at least $100,000 and possibly as much as $250,000.

The real estate deal is not the only financial endeavor between the two. Penney is also part of a group of investors called Alaska's Great Eagle (a nod to Stevens' days as a pilot in WWII) who bought a race horse with the senator and former chief executive of Veco, Bill Allen.

While Veco oversaw the renovation of Stevens' Girdwood, Alaska home, the horse's manager, Bob Persons checked in on the remodeling project while Stevens was in Washington.

> Persons was ordered by the Washington grand jury to produce documents going back more than eight years, including all letters, e-mails and other documents involving Ted, his wife, Catherine, or Ben Stevens. Specifically mentioned were records about a race horse partnership, Alaska's Great Eagle, he manages for Ted Stevens, Allen, Allen's son Mark, Penney and others.

So far, the main focus of the Stevens investigation has focused on the Veco remodeling project.

Permalink | Comments (12) | TOPICS: Ted Stevens : Veco


Sen.Ted Stevens (R-AK)

Veco Gives, But What Does It Receive?

By Laura McGann - June 19, 2007, 7:04 PM

Over the course of the federal probe in Alaska, it's become clear that oil services company Veco dabbled in shady dealings -- some connected to Sen. Ted Stevens (R-AK) and his son Ben, a former state senator. Two top executives, who've pled guilty to bribing state lawmakers, have also played general contractor for Sen. Stevens and doled out $240,000 in "consulting" fees to his son. Veco has contributed more than $70,000 to Stevens' campaigns over the years (making the company his second largest donor), and $25,000 more to his political action committee.

FBI - Stevens-866

But what has Veco fetched in return?

As easy as it has been to document Alaska lawmakers who've fed their campaign funds and lined their pockets with Veco money, it's less obvious how the company has directly benefited in return. Here's a glimpse at what Sen. Stevens has done directly for the company. Back in 2003 *The Los Angeles Times* ran a story about family ties amongst lawmakers and corporations (via Nexis):

> VECO had helped build a $70-million pipeline for Pakistan, but the government was slow to pay. As it happened, Pakistan

desperately needed congressional help on a trade issue, and Ted Stevens was positioned to block the necessary legislation. Before long, Pakistan's representatives in Washington concluded that their trade bill would go nowhere until Pakistan settled with VECO and its partners. Pakistan agreed to arbitration. The bill sailed through.

Other clear cut examples aren't so easy to come by, but generally speaking Veco has done well for itself securing federal contracts. The company has won National Science Foundation contracts twice. One contract from 2005 was worth $100 million to provide" Arctic research support and logistics services in Alaska, Greenland, the North Pole, Canada, Russia and other Arctic locations." The company has also disclosed other lucrative-looking contracts, though the exact values are unknown.

The question is: How many of those contracts received the helping hand of Sen. Stevens?

Permalink | Comments (14) | TOPICS: Ted Stevens : Veco



Sen. Ted Stevens (R-AK) (ustda.gov)

AP: FBI Questions Former Stevens Aides

By Paul Kiel - June 19, 2007, 5:12 PM

And the federal investigation into Sen. Ted Stevens (R-AK) continues to gain steam:

Former Capitol Hill aides to Sen. Ted Stevens are being questioned by the FBI as part of an investigation into the senator's relationship with a wealthy contractor.

A lawyer close to the case, speaking on condition of anonymity because the investigation is still under way, confirmed the FBI had recently questioned former Stevens aides about Bill Allen, a contractor who has pleaded guilty to bribing Alaska legislators.

Permalink | Comments (3) | TOPICS: Ted Stevens



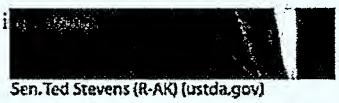
Ted Stevens' Friend Testified Before Grand Jury

By Laura McGann - June 19, 2007, 1:59 PM

If you're a CEO looking to help preserve fish habitats and catch a 60 pound salmon in one weekend, Bob Penney is your man.

He is also old friends with Sen. Ted Stevens (R-AK). *The Anchorage Daily News* reported this weekend that Penney testified before a grand jury in Alaska a few weeks ago as part of the ongoing federal inquiry into corruption

FBI - Stevens-867


Sen.Ted Stevens (R-AK) (ustda.gov)

Penney is a fresh face in the probe that has grabbed Stevens, and had already touched the senator's son, Ben Stevens; several other state lawmakers; and two top oil services executives at Veco, both of whom have pled guilty to federal corruption charges.

The longtime Alaskan entrepreneur is known for founding the Ted Stevens Kenai River Classic over ten years ago to help protect the sports-fishing river that is home to a wild salmon run. The weekend event now draws politicians from as far away as Washington and executives from donors like Veco, Lockheed Martin, Boeing and Shell.

Here is a description of the 2002 tournament from the*Anchorage Daily News* (via Nexis):

> Ashore, people flowed around Bob Penney's big riverfront house Monday evening, headed for the broad expanse of paved driveway that runs down to it. There, flanking a sound system, stood a couple of hefty trophies topped with fiberglass king salmon. The opening ceremony of the ninth annual Kenai River Classic was about to occur.
>
> In the river of people were United States senators, the secretary of labor, the governor, most of the hierarchy of the Department of Fish and Game, a couple of state legislators, the mayor of Anchorage, the president of the Kenai Peninsula Borough Assembly, the president of the University of Alaska, a soft-spoken former astronaut, a retired famous college basketball coach, a few entertainers, a writer with a new book about Alaska and executives from many, many companies. They constituted, as they do every year, the greatest concentration of political and economic power in Alaska.

Though officially meant to raise money to preserve the river, Stevens breaks down what the event is really meant to do:

> "We invite people we think can afford to put a contribution into the till," [Stevens] said, "and people they want to meet."
>
> Many of those in his audience had paid $6,000 for themselves and a guest to attend. Along with corporate sponsorships -- the opening dinner was put on by Alaska Communications System and Veco -- and the proceeds from an auction, the fees meant the tournament could gross $1 million, as last year's did.

Penney declined to tell the *Anchorage Daily News*what he said in his testimony. So far he has no obvious ties to Stevens' infamous home remodeling project, which has caught the FBI's eye.

FBI - Stevens-868

Permalink | Comments (17) | TOPICS: Ted Stevens : Veco



2nd Strain of Probe Proceeds Far from Stevens' Sway

By Paul Kiel - June 19, 2007, 12:29 PM

As the *Anchorage Daily News* reported yesterday, a federal grand jury has been investigating Sen. Ted Stevens' (R-AK) ties to the corrupt Alaskan oil company, Veco. Both the

former CEO and vice president have pled guilty to corruption charges.



Sen.Ted Stevens (R-AK) (WDCPIX.com)

But just as surprising as the fact of the investigation is the location of it: far away from Alaska, in Washington, D.C.

The heavy lifting in the probe so far has been done by a grand jury in Anchorage, Alaska. That investigation has resulted in a number of guilty pleas by executives and indictments of state lawmakers.

But the existence of the second grand jury raises the question of why prosecutors split the investigation. *ADN* went to the experts and came up with a number of theories:

> Legal experts in corruption cases said that while it's unusual for prosecutors to use grand juries in separate jurisdictions in an investigation, they may have sound reasons. The experts also cautioned that even though prosecutors may be presenting evidence to a grand jury, that doesn't mean crimes have been committed.
>
> Paul Butler, a law professor at George Washington University and a former federal attorney who prosecuted a U.S. senator and several FBI agents, said it could simply be a matter of convenience for witnesses.
>
> Jules Epstein, a law professor at the Widener University School of Law in Wilmington, Del., and a criminal defense lawyer, said the grand juries could be investigating separate, unlinked crimes.
>
> Peter Henning, a law professor at Wayne State University in Detroit, said prosecutors might bring a case against a popular elected official in Washington to avoid being "home-courted."

Given that witnesses in the probe have been flying out from Alaska to testify, I think it's fair to discount the "convenience" explanation.

But that prosecutors might have chosen D.C. as the venue to make their case against Stevens -- and perhaps his son, Ben, a former state senator, who's been implicated in charging documents -- makes a whole lot of sense. There's simply not a more powerful figure in Alaska (or perhaps in the history of Alaskan politics) than Sen. Stevens, who's served in the Senate since 1968, and who even, back in 1958, played a role in shepherding Alaska to statehood while working at the Interior Department.

By bringing their case in D.C., prosecutors avoided the task of making their case in Stevens' backyard, where the vestiges of his power are everywhere. As the senior senator from the state, Stevens has traditionally even been responsible for tapping candidates for the local U.S. attorney spot -- though the Justice Department notablyoverruled the senator when appointing a replacement last September.

FBI - Stevens-869

Prosecutors also avoid having to convince a jury full of Alaskans who grew up surrounded by landmarks named after Stevens, who's responsible for bringing back tens of billions of dollars to the state over the past forty years.

One of the lawyers involved in the case certainly thought that's what prosecutors are up to:

> Penney's attorney, Bruce Gagnon, said of [Alaska businessman Bob] Penney's appearance before the grand jury: "I think you know as well as I do what they're interested in." Asked whether that was Ted Stevens and Ben Stevens, Gagnon said, "Yeah,

yeah."

"And why are they going off in Washington, D.C., as well as here?" Gagnon wondered out loud. "It may well be because they want to try this case back there."

Permalink | Comments (14) | TOPICS: Ted Stevens


Sen.Ted Stevens (R-AK)

Paper: Grand Jury Examines Stevens Ties to Oil Co

By Paul Kiel - June 18, 2007, 9:35 AM

From the *Anchorage Daily News*:

A federal grand jury in Washington, D.C., heard evidence last month about the expansion of U.S. Sen. Ted Stevens' Girdwood home in 2000 and other matters connecting Stevens to the oil services company Veco Inc....

The existence of the Washington grand jury investigation is the strongest indication to date that Stevens himself has become a subject of the wide-ranging federal probe that surfaced with FBI raids on state legislative offices last August. Former State Sen. Ben Stevens, Ted Stevens' son, was among the legislators whose offices were searched. Ben Stevens has denied wrongdoing.

Earlier this month, Sen. Stevens admittedthat the FBI has asked him to preserve records relevant to his ties to Veco.

Permalink | Comments (18) | TOPICS: Ted Stevens : Veco


Sen.Ted Stevens (R-AK)

Stevens Asks For Extension To File Financial Disclosure Forms

By Laura McGann - June 15, 2007, 10:48 AM

Sen. Ted Stevens is following in the footsteps of Rep. John T. Doolittle (R-CA) and Sen. Robert Menendez (D-NJ), who are both under federal investigation, by asking for a review of his financial records from last year, allowing him to put off filing his official disclosure forms.

The forms were due to the Senate Ethics Committee by May 15, but Stevens' were not among them . *The Washington Post* and McClatchy report that the request for a review could be a sign that Stevens is in trouble with the law. From McClatchy:

FBI - Stevens-870

> Ethics reviews of lawmakers' financial reports are unusual unless they are under a legal cloud. A source close to Stevens' office said he has requested such reviews before, although this is the first time it has delayed the report's release.

Last week Stevens admittedthat the FBI has asked him to hold on to documents they may want to review as part of its ongoing probe into a corruption scandal in the state. His son, former Alaska State Senate President

Ben Stevens has already been snared by the investigation. The head of a local oil services company, Veco Corp., pled guilty to conspiracy and bribery charges, implicating the younger Stevens in receiving some $240,000 in illegitimate consulting fees.

The Washington Post points out who else has asked for a filing extension:

> Nearly 80 lawmakers received extensions for their financial disclosures, which are required by federal law. Knowingly filing false disclosure forms is a federal crime. Prosecutors have aggressively pursued apparent violations in recent corruption investigations on Capitol Hill, including those of former congressmen Randy "Duke" Cunningham (R-Calif.) and Robert W. Ney (R-Ohio), both of whom are now in prison.
>
> Other lawmakers who have faced financial scrutiny and received extensions include Sen. Robert Menendez (D-N.J.), who is under federal investigation for renting property to a nonprofit organization while also pushing for federal grants for the nonprofit, and Rep. John T. Doolittle (R-Calif.), who is under investigation for his wife's firm doing unspecified work for imprisoned lobbyist Jack Abramoff while her husband performed legislative favors for him.

Permalink | Comments (2) | TOPICS: Ted Stevens


Sen.Ted Stevens (R-AK)

Ted Stevens Admits Involvement In FBI Probe

By Laura McGann - June 7, 2007, 11:24 AM Sen. Ted Stevens (R-AK) has admitted he is involved in the FBI's probe into Alaska lawmakers' dealings with oil services company Veco Corp. In an interview with the *Washington Post*, tight-lipped Stevens said he is getting ready to hand over documents to investigators.

> "They put me on notice to preserve some records," Stevens said in a brief interview about his legal team's discussions with the FBI. He declined to say what kinds of records were involved but confirmed that he had hired lawyers and that his son, former state Senate president Ben Stevens, "is also under investigation."

It's no surprise that the FBI has asked Stevens for records now that his home remodeling job overseen by Veco has caught investigators' eye. But this does appear to be Stevens' first official public comment about the federal probe. Stevens' acknowledgment that his son in under investigation firms up what the press pieced together in May. Former Alaska Senate President Ben Stevens was identified by the press as "state senator B" described in the guilty pleas of two former Veco executives. The Veco executives admitted to giving Stevens about $240,000 in "consulting fees" that required no work in exchange for political favors. Stevens was the only lawmaker to fit the description. Permalink | Comments (10) | TOPICS: Ted Stevens : Veco

FBI - Stevens-871

Alaska Lawmakers: Kohring, Get Out

By Laura McGann - June 5, 2007, 11:51 AM Alaska state lawmakers have had it with one of their own. Two Republican leaders in the Alaska legislature confronted Rep. Vic Kohring (R-AK) in his home to push him to resign instead of dragging them all down. Kohring has been indicted as part of the wide federal probe into Alaska politicians dealings with oil services company Veco Corp. *The Anchorage Daily News* reports:

> Prosecutors have accused Kohring, a Republican, of selling his vote on the state petroleum tax last year to the Anchorage oil field services company Veco Corp. Kohring and two former legislators also under indictment have pleaded not guilty. Veco executives Bill Allen and Rick Smith pleaded guilty to conspiracy, bribery and tax charges. Allen and Smith have since resigned from Veco.

The probe has brushed Sen. Ted Stevens (R-AK), whose house got a makeover seven years ago under Veco's direction. The senator's son, former Alaska Senate President Ben Stevens, has also been tied to the investigation by local press who concluded he was one of the lawmakers to take cash from Veco executives who recently pled guilty to federal bribery and conspiracy charges. Permalink | Comments (6) | TOPICS: Ted Stevens : Veco


Sen.Ted Stevens (R-AK)

Stevens' Contractor Hires a Lawyer, Opts To Keep Quiet

By Laura McGann - June 4, 2007, 9:39 AM An Alaska contractor, **Augie Paone**, painted most of the picture we have of how a major state oil services company oversaw the renovation of Sen. Ted Stevens' (R-AK) house. After giving a few interviews last week, Paone has hired a lawyer and will no longer comment publicly. I spoke with Paone's wife on the phone yesterday who said the family would not release the lawyer's name. The lawyer has advised them to stay quiet, she said. It's too bad the Paones felt the need to lawyer up, though it's probably not that surprising. In an interview with the *Anchorage Daily News*, Paone said he was "uncomfortable" with taking the renovation contract initially because he had not provided an estimate to Veco Corp., the company that handled the job for Stevens while the senator was in Washington:

> "I didn't suspect anything, but I just wanted to make sure," he said. "When you work with a house of a legislator or a senator, you make sure you hold on to all the billings, just in case something happens."

That was a good move. The job has piqued federal investigators' interest as part of a broad investigation into public corruption in Alaska. Six months ago the FBI asked Paone for records and invoices from the job. He also testified before a grand jury. Paone said he had done work for Veco Corp.'s offices and for a company executive before they offered him the work on Stevens' home seven years ago. He charged normal rates, but saw the job as a favor – a favor he couldn't decline to offer – rather than a typical contract:

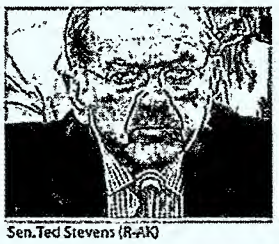
> "Bill Allen (Veco CEO) and some of the Veco boys, some of the Veco guys, were the ones that approached me and wanted to know if I could give them a hand," Paone said. "I did it more as a favor, you know. It's one of those things when somebody is the head, and packs that much power and asks you for a favor, it's kind of hard to say no."

FBI - Stevens-872

Allen pled guilty to bribing five state legislators last month in a classic cash-for-votes scheme. One of the charges stems from a meet-up between State Rep. Pete Kott in a hotel suite where Kott complained about having "to cheat, steal, beg, borrow and lie," to ensure government-backing of a pipeline valuable to Veco. In response to the legislator's complaints, Allen said: "I own your ass." Sounds like Allen would take a "no thank you" well. Permalink| Comments (8) | TOPICS: Ted Stevens : Veco



Veco's Adventures in


Sen.Ted Stevens (R-AK)

Sub-Contracting

By Laura McGann - May 31, 2007, 6:18 PM As we reported a couple of days ago, the federal investigation into a bribery scheme centering on one of Alaska's biggest oil services companies has crossed paths with Senator Ted Stevens (R-AK). And Stevens' problems seem to come down to some highly creative methods Stevens used to remodel his Alaska home. According to contractor Augie Paone, it all started when a group of unnamed "friends" got together to renovate the senator's house as a weekend project. The group of friends ended up being unable to pull it off. But in the group's defense, the job was pretty ambitious. The plan was to ratchet the one-story house off its foundation, build a new first floor and then place the old first floor on top of the new first floor. Unfortunately for the do-it-yourselfers, they ran into a few problems. That's when the local contractor, Paone, came into the picture. Paone has provided most of the sordid details in this story, since none of the other players are talking. According to Paone, it wasn't Stevens who sought him out to fix the mangled construction, but oil company Veco Corp. It's not clear how involved Veco had been in the do-it-yourself phase of the remodeling. But Paone says Veco was in charge when he came on board. Veco hired Paone and and collected and reviewed the $100,000 worth of invoices he submitted as the project progressed. Paone would then receive payments signed by Stevens -- checks which according to Paone appeared to come from a special account created for the renovation. Paone says he didn't know Stevens before working on the house and dealt with Veco during the project. He told a local television station he doesn't think the arrangement raises any red flags.

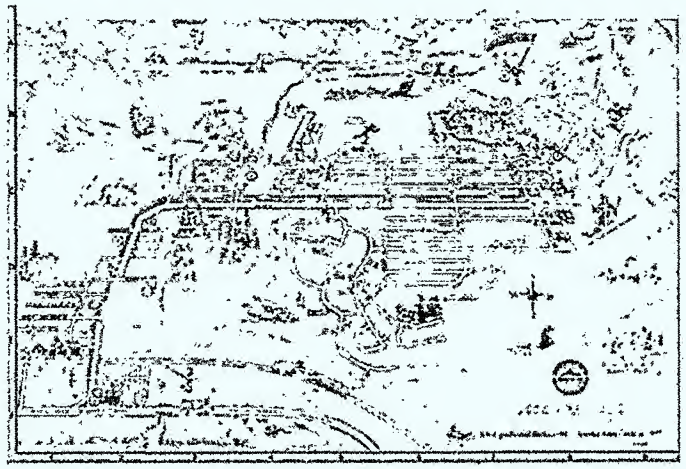
> "The senator doesn't know me, so some of the people I had contacts with were more familiar with the senator, so they kind of took over his interests and they kind of overviewed the billings. After they saw them, it was just faxed over to the senator and the senator a few days later just mailed me a check," Paone said.

Here's the straightforward arrangement: oil company decides to remodel senator's house, oil company finds contractor, contractor creates new first floor in senator's house, contractor sends invoices to oil company, oil company reviews bills, oil company faxes bills to senior senator, senior senator pulls cash from a special account set up specifically for the construction and pays contractor, senior senator never speaks to contractor. The arrangement looks fairly questionable on its face. And it looks even more questionable when you take Veco's track record into account. The person from Veco who hired Paone was Veco CEO Bill Allen. Allen happens to have just pled guilty this month to federal conspiracy and bribery charges for "giving things of value" to local lawmakers. In a court document accompanying his guilty plea, the *Anchorage Daily News* noticed a seemingly irrelevant description of what the company did not do while he was in charge: "Veco was not in the business of residential construction or remodeling." So far Stevens has refused to explain the arrangement. But it has piqued the FBI's interest and investigators are looking into it. Paone says the FBI interviewed him about six months ago and that he testified before a grand jury in December. In response to questions about the remodeling, Stevens' spokesman sent me a statement saying the senator is not commenting. Permalink | Comments (49) | TOPICS: Ted Stevens : Veco

FBI - Stevens-873

Sen. Stevens Denies Search of Home and Office

By Laura McGann - May 31, 2007, 4:15 PM What did the FBI search in the tiny Alaska town of Girdwood last summer? The mystery continues.



A spokesman for Sen. Ted Stevens' (R-AK) told me today it wasn't his boss' home or office -- two favored guesses. Stevens has been tightlipped in the FBI's broad probe into oil company Veco Corp.'s dealings with Alaska state and federal lawmakers. But today his office opened up slightly. Stevens' spokesman Aaron Saunders denied a raid of Stevens' home or office and sent me a copy of this local television story with the following portions underlined:

> The FBI will not comment on whether Sen. Stevens is being investigated. But when the agency served search warrants on lawmaker's office last August, one search warrant was served in Girdwood. Agents said it wasn't at the senator's home or office, but they won't say where.

There's not much else in Girdwood. Any guesses? Permalink| Comments (22) | TOPICS: Ted Stevens : Veco



Sen.Ted Stevens (R-AK)

Stevens Not A Target, Investigation Still a Problem

By Laura McGann - May 30, 2007, 2:22 PM

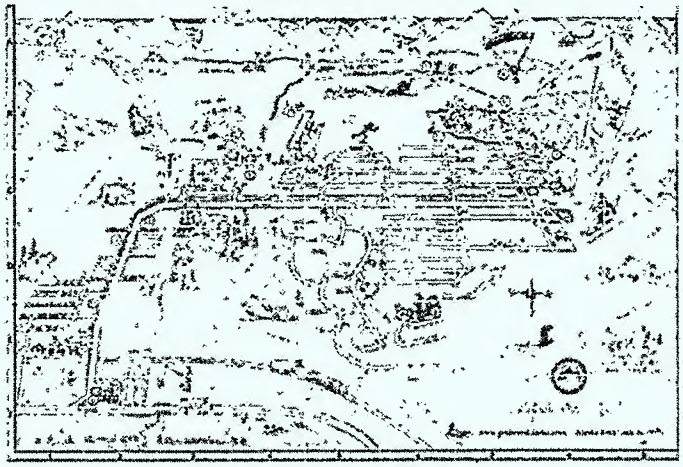
Yesterday we talked about how Sen. Ted Stevens' (R-AK) home improvement project has piqued the interest of federal investigators. A local oil company's involvement in hiring one of the contractors who built the new level to Stevens' single-story home -- underneath the existing ground floor – seems to be the questionable part. The Associated Press followed up today on the story by adding that two sources close to the investigation said "Stevens was not considered a target of the investigation." That won't comfort Sen. Stevens. The carefully-crafted language "I'm not a target" has been peddled by other politicians tied to investigations, like former Sen. Conrad Burns (R-MT) and Rep. John Doolittle (R-CA). The phrase makes the politician sound practically exhonerated, when really, prosecutors tend to wait to send out a "target" letter until shortly before an indictment is issued. (Feel like pleading guilty? Now's your chance.) Former number two at the Interior Department J. Steven Griles was named a target in the Abramoff scandal in January; he pled guilty to lying to Congress in March. It's not clear how entwined Stevens is in the investigation, which has already led to the indictment of four current and former state officials. Two top executives from the oil company at the heart of the controversy, Veco Corp., pled guilty to conspiracy and bribery charges this month. But, both the AP and the Anchorage Daily News mentioned a search in the ski-resort town of Girdwood, where Stevens' newly doubled home sits. From *The Anchorage Daily News*:

FBI - Stevens-874

> The wide-ranging federal inquiry surfaced in August when agents raided six legislative offices, including those of

> then-Senate President Ben Stevens, one of Ted Stevens' sons. The FBI said at the time that it also had executed a search warrant in Girdwood, among other places, although the location of that search has never been officially disclosed.

The FBI hasn't said what it searched, but the list of possibilities isn't very long. Take a look at a map of Girdwood, population 2,000:



Permalink | Comments (37) | TOPICS: Ted Stevens : Veco



Sen.Ted Stevens (R-AK)

Extreme Makeover: Veco Edition

By Laura McGann - May 29, 2007, 12:24 PM Sen. Ted Stevens (R-AK) jacked his house off the ground, inserted a new first story and placed the old first floor on top, thanks to the help of a top executive at local oil company Veco Corp. who hired at least one key contractor to complete the feat of a job. Veco is entwined in a broad federal investigation that has led to the indictment of four current and former Alaska politicians and ensnared former Alaska Senate President Ben Stevens, son of Ted Stevens. Local press concluded that Stevens was state "Senator B," listed in the charging documents of two former Veco Corp. executives who pled guilty to federal bribery and conspiracy charges, saying they gave the younger Stevens $242,000 in illegitimate consulting fees. Neither Stevens has been charged with a crime. It's unclear how the senior Stevens' home doubling is connected to the broader investigation, but the Feds are now eyeing the construction job according to the Anchorage Daily News , which noticed a line in the Veco executives' plea bargains that could link the senator to the probe:

> The sentence, preceded by a listing of a dozen Veco-related enterprises around the world, said: "Veco was not in the business of residential construction or remodeling."

Maybe they dabbled. Permalink| Comments (68) | TOPICS: Ted Stevens : Veco

FBI - Stevens-875

A Guilty Plea Hat Trick For Alaska

By Laura McGann - May 16, 2007, 4:45 PM A third corruption guilty plea since last week came out of Alaska yesterday. This time, prominent lobbyist Bill Bobrick owned up to a conspiracy to bribe former state Rep. Tom Anderson, who himself was indicted on seven felony counts of bribery, extortion and money laundering in December. Last week, top executives at one of Bobrick's client companies, VECO Corp., pled guilty to charges of bribing three state representatives and two senators. The Anchorage Daily News had the story on Bobrick this morning.

> The prosecution says in court papers that Bobrick and Anderson began conspiring in July 2004. Bobrick created a sham company to funnel payments to Anderson in exchange for his doing the bidding of a private corrections company in the state Legislature, the prosecution says. Prosecutors quote Bobrick telling an informant that he and Anderson were "pitching a bunch of people" to get money for the legislator.

Permalink | Comments (6) | TOPICS: Ted Stevens : Veco


Sen.Ted Stevens (R-AK)

Another Bridge, Another Part of Nowhere

By Laura McGann - May 14, 2007, 12:15 PM

When your bid to build a bridge to nowhere is shut down, try to get federal funding for another bridge, to a different part of nowhere – where your friends own property. John Stanton of Roll Call wrote a great story (Sub. Req.) that parses out the likely motivations for the Alaska Congressional delegation's work over the last few months to snag federal cash for a bridge to connect an area where no one lives to Anchorage. Why bother to invest in infrastructure to nowhere? Well, it could make the remote area, called "Knik Arm," a major suburb, but more importantly, folks with familial and political ties to Republican Rep. Don Young and Sens. Ted Stevens and Lisa Murkowski would profit:

> If the area is successfully developed, that could mean a significant windfall for a number of people close to the Congressional delegation — including Young's daughter, Joni, Stevens' chief of staff and campaign manager and Murkowski's state director — some of whom purchased land in the area just a few months before then-Transportation and Infrastructure Chairman Young began substantive work on a massive highway bill in early 2003.

Here's more from Roll Call:

> According to land records compiled by the Matanuska-Susitna Borough, Senate financial disclosure forms and published accounts, Stevens' current Chief of Staff George Lowe owns a 2.6 acre parcel of undeveloped land on the Knik Arm, which he purchased in December 2004 from the Alaska Mental Health Trust Authority, according to a copy of the deed. ... Former Stevens aide Lisa Sutherland also stands to see significant financial gain from the development of Knik Arm. Sutherland, a close confidante of Stevens, worked for the lawmaker from 1977 until this March in a variety of capacities, including deputy staff director on the Appropriations Committee and then staff director on the Commerce, Science and Transportation Committee. Sutherland left the Senate payroll in March to work full time on Stevens' re-election campaign.

FBI - Stevens-876

Permalink | Comments (54) | TOPICS: Ted Stevens

Veco: A Mucky Force in Alaska Politics

By Laura McGann - May 8, 2007, 6:24 PM

Veco Corp., the oil company at the center of a bribery scandal involving at least five lawmakers has spent the last three decades establishing itself as a force in Alaska politics. Some 2,000 Alaskans

work for the company that cleaned up after the Exxon-Valdez catastrophe and controls a conservative opinion armof the Anchorage Daily News. And, for lawmakers at the state and federal level, Veco is a major source of campaign financing. Two Veco heads, Bill J. Allen and Richard L. Smithpled guilty yesterday to bribery charges for paying lawmakers for votes, including the former Alaska Senate President Ben Stevens, son of Sen. Ted Stevens. According to the plea agreement, Veco paid Ben Stevens about $240,000 in consulting fees that were actually in exchange for political favors. Stevens' lawyer said his client is not guilty of any wrongdoing. Since 1993, Veco says it has completed about $25 billion worth of projects involving oil refining, pipeline work and power production. Recently, it created a separate corporate entity to handlefederal contracting , to meet "the recent growth in the market." Veco prides itself on honesty, which the company lists as its second priority behind safety, and just before being a "good corporate citizen" – they are, after all, engaged in the political process. Permalink| Comments (10) | TOPICS: Ted Stevens: Veco


Alaska state Sen. Ben Stevens, R (WDCPIX.com)

Ted Stevens' Son Identified In Corruption Case

By Laura McGann - May 8, 2007, 12:11 PM Roll Call (sub req.) and the Anchorage Daily News named Ben Stevens, son of Sen. Ted Stevens (R-AK), as one of the unidentified legislators involved in the VECO cash-for-favors corruption scheme. According to charges filed Friday against two top executives at the oil company, Stevens' company allegedly received $243,250 for consulting fees that were "in fact for the purpose of obtaining (Stevens') official support on matters pending before the Alaska State Legislature." Ben's dad, Sen. Stevens, is pals with one of the executives, Bill J. Allen, who pled guilty to bribery charges yesterday. The two men belong to a group that bought a race horse named "So Long Birdie," for a bargain-basement price of $40,000 in 2005.

> Allen and his wife also have hosted numerous fundraising events for Stevens, as well as his fellow members of the Alaska delegation, Sen. Lisa Murkowski (R) and Rep. Don Young (R). A preliminary review of campaign finance records shows Allen and other executives at VECO have made $206,900 in campaign contributions to the Alaska delegation, with more than $72,000 of that total going to Ted Stevens.

Ted Stevens does not seem to be on prosecutors' radar screen in the corruption investigation. Permalink | Comments (53) | TOPICS: Ted Stevens : Veco

Top Veco Execs Plead Guilty To Bribery

FBI - Stevens-877

By Laura McGann - May 7, 2007, 4:45 PM The Anchorage Daily News reports that top Veco Corp. executives pled guilty to bribery and conspiracy charges in federal court today, under a deal that could buy them gentler sentences in exchange for cooperation in an FBI corruption investigation. Bill J. Allen, Veco's chief executive, and Rick Smith, the company's vice president and chief lobbyist could sit behind bars for five to 15 years and shell out up to $250,000 in fines on each count.

> In the written charges, prosecutors say Allen and Smith conspired "to offer and provide things of value to" three state representatives and two senators, none of them named in the document. Among the specifics listed, Allen is accused of

> paying a "special bonus" of corporate funds to certain Veco executives so they could make illegal campaign contributions.

The two executives will likely provide important testimony in the cases of three state legislators charged with extortion and bribery in federal court last week -- and the two anonymous state senators implicated in their guilty pleas. As reported by Paul on Friday, the indictment alleges a classic cash-for-votes corruption scheme. One of the legislators, Pete Kott, met with Allen in the executive's hotel suite where he complained about having "to cheat, steal, beg, borrow and lie," to ensure government-backing of a pipeline valuable to Veco. In response to the legislator's complaints, Allen said: "I own your ass." The indictment masks the identities of two Alaska state senators, calling them only by A and B. It's not clear if Alaska's Senate President Ben Stevens, son of U.S. Senator Ted Stevens (R-AK), whose office was raided by the FBI in August, is one of them. Permalink | Comments (18) | TOPICS: Ted Stevens : Veco

Feds Indict Alaska GOPers

By Paul Kiel - May 4, 2007, 6:06 PM I tell you, corruption doesn't get any uglier than Alaskan corruption. The investigation surrounding VECO an Alaskan oil company, has finally borne fruit. Two Republican members of the state legislature were indicted today, one of them the former speaker of the house. There's still no word on the fate of former state Sen. Ben Stevens, son of Sen. Ted Stevens (R-AK), who is also under investigation. Oh, and it's ugly. Pete Kott and Bruce Weyhrauch are on the hook for trading votes for cash and sweet jobs, plain and simple. From *The Anchorage Daily News*

> The indictment says Kott asked executives of the unnamed company for money and a job after he left the Legislature. Weyhrauch, an attorney, asked for a job and legal work, the indictment says. On about Sept. 26, 2005, the indictment says, Kott called an unnamed company vice president and said, "I need a job." The vice president replied, "You've got a job; get us a pipeline," the indictment says.... In a meeting on April 18, 2006, Kott told the company executives, "You'll get your pipeline, the governor gets his bill, and I'll get my job in Barbados."... Kott met with the company executives in their hotel suite on May 7, the indictment says, and told them he had tried to defeat an amendment to the oil tax the company didn't like. "I had to cheat, steal, beg, borrow and lie," Kott said, according to the indictment. The company's chief executive responded, "I own your ass," the indictment says.

These two are among the same group of legislators who took a shine to calling themselves the "Corrupt Bastards Caucus." No wonderPermalink | Comments (71) | TOPICS: Ted Stevens : Veco

Alaska Finally Closes Bribery Loophole

By Paul Kiel - January 5, 2007, 9:45 AM Attention Corrupt Bastards, the loophole is closing:

> A group of House Democrats wants to change a state law that they say allows politicians to sell their votes in exchange for campaign donations. That's right: It's not already a crime under state law, according to Anchorage Reps Les Gara and Harry Crawford, who filed a bill to close what they call a legal-bribery loophole.

FBI - Stevens-878

Permalink | Comments (1) | TOPICS: Ted Stevens

Dem *Still* Holding Pork Database Bill

By Paul Kiel - September 7, 2006, 8:20 AM An unknown Democrat is still holding the Coburn-Obama bill to create a searchable database of federal grants and contracts, *The Hill* reports. And that Senator is now the *only one* holding up the bill, since Sen. Ted Stevens (R-AK), who had reinstated his earlier hold, has since changed his mind droppedit. So who's that unknown Senator? We don't know. And neither do we know what concern the Senator has -- whether it's

about the bill's cost, as the Pork King claimed, or whether it's the speed with which the bill's been moving forward, as the pork-inclined senior senator from West Virginia asserted. Sure would be good to know, wouldn't it? Permalink | TOPICS: Reform : Ted Stevens



Alaska state Sen. Ben Stevens, R (WDCPIX.com)

Alaskagate: While We Were Out

By Justin Rood - September 5, 2006, 12:34 PM Over the long weekend, more details emerged in the growing Alaska state legislature scandal, which has now involved more than two dozen search warrants and a growing posse of federal agents from around the country, and includes the IRS as well as the FBI. The probe has put two names in the headlines: Ben Stevens, president of the Alaska State Senate and son of Sen. Ted Stevens (R-AK), and VECO Corp., which has given generously not only to Alaska state legislators but to friendly U.S. lawmakers as well, including Stevens senior. **What are the feds investigating?** Investigators appear to have a keen interest in legislation recently hammered out by Alaska Gov. Frank Murkowski (R). Currently awaiting passage by the state legislature, the deal would pave the way to build a $21 billion natural gas pipeline to tap the state's North Slope reserves. VECO has been a strong supporter of the deal. However, the probe seems to have expanded -- in scope and in size -- past that one deal:

> "They are after people paying for votes during the recent oil and gas special sessions. I think that was fairly transparent," said political pollster Marc Hellenthal, who said he was interviewed Friday afternoon by two FBI agents from Sacramento, Calif. Agents also told him what they are looking for "goes back longer than that."
>
> The FBI has brought in agents from around the country for the investigation. The Internal Revenue Service and other federal agencies also are involved, Gonzalez said. The investigation has stretched to past legislators, including former Sen. Robin Taylor, R-Wrangell, who was interviewed Thursday by FBI agents. Taylor is now a deputy commissioner in the state Department of Transportation. "They interviewed him about his past as a lawmaker and his dealings with Veco," said Will Vandergriff, deputy press security for Gov. Frank Murkowski. "He said they are just expanding their net."

What's the Corrupt Bastards Caucus? It was apparently an inside joke among a dozen legislators singled out in a March 2006 *Anchorage Daily News* op-ed for donations they received from Alaska petro-giant Veco Corp. The moniker didn't appear in the article. Rather, "Somebody walked up and said, 'You corrupt bastards,' and that name stuck," Alaska House Finance Co-Chairman Mike Chenault (R) told the Daily News:

FBI - Stevens-879

> Hats were even made with the initials "CBC" on them, but "that was the extent of the CBC deal," Chenault said. . . . House Speaker John Harris, R-Valdez, said he saw [State Reps.] Smith and Kott handing out hats in June during the first special session when lawmakers voted down the petroleum tax bill. But he did not see anything with the "Corrupt Bastards Club" on it. "They were handing out hats down at the Baranoff (Hotel) at

the bar down there. All they had was 'VECO' on them," Harris said. Chenault said he may still have a "CBC" hat, but he can't recall.

Permalink | TOPICS: Ted Stevens : Veco


Sen.Ted Stevens (R-AK)

From D.C., Alaska Senator Keeps An Eye (and A Hand) Out For His Son

By Justin Rood - September 1, 2006, 5:31 PM

Ah, how the bennies of the father are visited upon the son! A 2003 article counted at least nine separate cases in which Sen. Ted Stevens (R-AK) has done favors for companies or organizations which paid his son Ben over $1.5 million in salary and "consulting fees." And there have been more since then. (The article, from the *Los Angeles Times*, was unearthedby the Washington, D.C.-based Sunlight Foundation.) Ben Stevens, president of the Alaska State Senate, recently had his offices raidedby the FBI. News out of Alaska indicates the feds are looking for information surrounding a major resource legislation package that benefited at least one of the companies father Ted helped out, VECO Corp Since the *Times* piece was published, the elder Stevens has done more favors which benefited BenIn late 2003, the U.S. senator finagled a $29 million earmark for "The Alaska Fisheries Marketing Board." Guess who got to chair the group -- which for two years did not disclose its activities? That's right: Ben Stevens. (A spokesman for the father said he merely "recommended" his son for the post.) And last December, it was revealed that Stevens senior inserted a provision into a bill worth $10 million to a fishing venture for which his son Ben secretly held an investment option. The provision was estimated to be worth $1.5 million to Ben. (In the end, Ben didn't collect that profit, however; the venture soured for unrelated reasons.) There's no evidence Ted Stevens is of interest to the investigation announced yesterday -- although he does have an office in the same town where one of the FBI warrants was executed. Keep in mind, however, investigators are required to follow up on any evidence of wrongdoing they come across. And judging by the news pictures, the FBI has been wheeling a lot of documents out of those offices. If they've already got reason to believe that evidence as outrageous as "Corrupt Bastards Club" hats exist, who knows what kind of stuff they might stumble across. Permalink | TOPICS: Ted Stevens : Veco

Alaska FBI Raid: PLEASE Tell Us They Found the Hats

By Justin Rood - September 1, 2006, 3:37 PM AP reports on the recent raidon Alaska lawmakers' offices, including those of Ben Stevens, son of Sen. Ted Stevens (R-AK):

> Among the items federal agents were searching for in Alaska legislative offices this week are hats or garments labeled "Corrupt Bastards Club" or "Corrupt Bastards Caucus," according to the search warrant.

FBI - Stevens-880

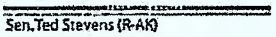
Permalink | TOPICS: Ted Stevens



For AK Scandal Company, Money Can't Buy Happiness -- But Influence? Perhaps.

By Justin Rood - September 1, 2006, 12:16 PM

When FBI agents raidedthe offices of Alaska Senate President Ben Stevens and five other legislators, they were looking for


Sen.Ted Stevens (R-AK)

evidence of improper ties between those state lawmakers and a company called VECO Corp. That left some scratching their heads. What's VECO? Based in Alaska, the privately-owned, non-union company deals primarily in petroleum and petroleum-related services; its estimated revenue in 2004 was $500 million, and it employs around 5,000 people worldwide. That's small by oil megacorporation standards, but it's big in Alaska, where the company has been called "a titan in the Alaskan oil industry." VECO has over two dozen subsidiaries, but it likes to spend money on influence. It's the top campaign contributor to both Alaska Sen. Lisa Murkowski (R) and its congressman, Don Young (R). And although it's only the second-biggest contributor to Sen. Ted Stevens (R), with over $70,000 in donations to the senior senator from VECO employees (according to FECInfo.com), it keeps close ties to Stevens in other ways. For one, it's dumped $25,000 into his "Northern Lights" political action committee. The company also paid his state Senator son, Ben (he of the raided office) over $200,000 for various reported purposes, including lobbying his father. What's more, the son of VECO president Pete Lethard was reported to work for Stevens in Washington, D.C. Also, the company briefly owned the *Anchorage Times*; in 1992 it shut the paper down, and switched to funding a half-page of editorials in the *Anchorage Daily News*. The section, called "Voice of the Times," is reportedly devoted to "conservative," "pro-industry" views. Permalink| TOPICS: Ted Stevens : Veco


Sen.Ted Stevens (R-AK)

FBI Raids Office of AK Senator's Son

By Paul Kiel - August 31, 2006, 11:08 PM
Yesterday, the FBI raided the office of Ben Stevens, who's president of the Alaska State Senate -- and son of Sen. Ted "King of Pork" Stevens (R-AK). Investigators searched his office (and those of five other legislators) for evidence of any ties ("financial information and gifts") between the lawmakers and VECO Corp., "an Anchorage-based oil field services and construction company whose executives are major contributors to political campaigns," according to the AP. VECO, a reader notes, is one of father Ted Stevens' biggest campaign contributors. Its employees donated $45,750 during his career. This is the second time in a week Ted Stevens' name has made headlines at TPMmuckraker -- earlier, readers will recall, he was unmasked on this site as being the GOP "masked holder" who held up the Obama/Coburn porkbusting transparency bill. *Update*: Is this part of what the Feds want to know about? From an April 28 article in the *Anchorage Daily News*: "Veco, an Alaska oil field services and construction company whose executives are major contributors to Republican political campaigns, paid [Ben] Stevens $57,000 last year for unspecified 'business services,' according to Stevens' most recent disclosure." And more, from a Nov. 3, 2005 AP article: "Ben Stevens' business relationship with the oil field service company Veco, which has paid him $243,000 since 2000, was cited as an example of 'corruption' in the recall petition brought against Stevens by Republican Moderate Party founder Ray Metcalfe." Permalink | TOPICS: Ted Stevens : Veco

Are Even Porkbusting Projects Full of Pork?

FBI - Stevens-881

By Paul Kiel - August 31, 2006, 3:03 PM The Congressional Budget Office calculates (pdf) that it would take $15 million dollars to create and maintain the database of online searchable database of government grants and contracts for five years. But Ellen Miller of The Sunlight Foundation says today they've commissioned the Washington, D.C.-based nonprofit OMB Watch to do the exact same thing. The cost? $234,713 for three years. So is Sen. Ted Stevens (R-AK) vindicated for having alleged cost concerns? And, more importantly, does OMB Watch have an Alaskan bridge-building division? Permalink | TOPICS: Reform : Ted Stevens

Who's Scoopin' Who?

By Paul Kiel - August 30, 2006, 5:36 PM About an hour ago, CNN posted a story on Sen. Stevens' exposure as the secret pork-meister and highlighted the way a

host of different blogs (yes, including TPMmuckraker.com) helped smoke him out. But TPMm Reader*AC* still isn't satisfied, and emailed us the following:

> [CNN: Sen. Stevens is 'the secret senator']
> POSTED: 4:38 p.m. EDT, August 30, 2006 "CNN has confirmed that Alaska Sen. Ted Stevens, R-Alaska, has placed a hold on a bill that would require the government to publish online a database of federal spending." [TPMm: "MASKED" BILL-BLOCKER REVEALS SELF] By Paul Kiel - August 30, 2006, 1:59 PM
> "A spokesman for Sen. Ted Stevens (R-AK) just confirmed his boss was the man behind the secret hold on the Coburn/Obama spending database bill, which has captivated a segment of the political blogging community in recent days." CNN... Catch-up News Network

Hey, he said it. We didn't. Permalink | TOPICS: Ted Stevens



Bill's Cost Troubled Me, Pork King Says

By Paul Kiel - August 30, 2006, 3:56 PM Sen. Ted Stevens (R-AK) held up a bill that would create a free, searchable database of government contracts and grants because he was worried about the proposal's price tag, his spokesman told me this afternoon. Its cost has been estimated at $15 million. Stevens' office has asked Sen. Tom Coburn (R-OK), the sponsor of the bill, for "a cost-benefit analysis to make sure this does not create an extra layer of unnecessary bureaucracy," spokesman Aaron Saunders said. The Senator "wanted to make sure that this wasn't going to be a huge cost to the taxpayer and that it achieves the goal which the bill is meant to achieve." Saunders added that Stevens' hold was not "secret," and that he would back the bill if the analysis shows that "it achieves its goal and it achieves its goal well." But Sen. Coburn's spokesman John Hart questioned Stevens' motive. "The only reason to oppose this bill is if he has something to hide," Hart said. Hart said that Stevens, who's on the Senate Homeland Security and Governmental Affairs Committee, failed to attend any hearings on the bill, an assertion backed up by vote tallies. "If he had concerns, he should have addressed them in regular order rather than blocking something that will benefit millions of taxpayers," Hart said. He added that after Stevens' office raised the concerns, Coburn's office requested a meeting, but never got one. The Congressional Budget Office has calculated that Coburn's proposal would cost "$4 million in 2007 and about $15 million [total] over the 2007-2011 period." By comparison, Stevens -- who's been called the "King of Pork" by one government watchdog -- was recently publicly lambasted for his appropriation of more than $200 million for the so-called "Bridge to Nowhere," which would link Ketchikan, Alaska (population 8,900) with its airport on Gravina Island (population 50). Despite the fact that Stevens' office has refused until today to admit that he placed the hold, Saunders said, "This senator does not place secret holds." A number of senators' offices initially refused to comment in response to both public and media requests as to whether they'd placed the hold. Sens. Hatch and Crapo both waived that general practice in light of Majority Leader Bill Frist's request that senators respond to bloggers' and readers' questions. TPMm still awaits confirmation from two senators, Byrd and Bennett, that they do not have a hold on the bill. Sen. Coburn initially revealed Stevens' identity as the holder two weeks ago at a town meeting in Sallisaw, Oklahoma -- but that revelation seems to have been unintended. It was an "off the cuff" comment, his spokesman told me. *Update:* As to why constituents, TPMm, and others weren't told when they called Stevens' office that he had placed the hold, his spokesman just explained, "Sen. Stevens was traveling, the staffers that worked this issue had also been traveling – so it was hard for our people to get the information about this particular hold." Permalink | TOPICS: Reform : Ted Stevens

FBI - Stevens-882



"MASKED"



BILL-BLOCKER REVEALS SELF

By Paul Kiel - August 30, 2006, 1:59 PM A spokesman for Sen. Ted Stevens (R-AK) just confirmed his boss was the man behind the secret hold on the Coburn/Obama spending database bill, which has captivated a segment of the political blogging community in recent days. "Sen. Stevens does have a hold on the bill," said the spokesman, who would only speak on the condition he not be named. He added that Sen. Tom Coburn's (R-OK) office was notified of the hold after it was placed. So Coburn's comments two weeks ago may have been duly informed. So why does Stevens say he placed the hold? Why did it take this long for him to say so? And will he lift it? We'll have more soon...Permalink | TOPICS: Reform: Ted Stevens



Coburn: Stevens Blocked My Bill

By Justin Rood - August 29, 2006, 11:27 PM Twelve days ago, at a town meeting in Sallisaw, Oklahoma, Sen. Tom Coburn (R-OK) accused Sen. Ted Stevens (R-AK) of obstructing his porkbuster-database bill with an anonymous hold. That's accordingto an Aug. 18 article in the Fort Smith (Ark.)*Times Record*:

> One of the senators most criticized for his personal projects, Sen. Ted Stevens, R-Alaska, has a hold of his own on Coburn's bill to make public the spending patterns of the government. Called the Federal Funding Accountability and Transparency Act, the legislation calls for the creation of a database open to the public where citizens can track government spending. "He's the only senator blocking it," Coburn said of Stevens.

Coburn's office was not available for comment this evening. The article has gone largely unnoticed in recent days, as hundreds of bloggers and blog-readers (at TPMm and elsewhere) have called Senate offices in an effort to determine who placed the "secret" hold on Coburn's bill. The piece does not turn up in a Nexis search, although it is in Google. Stevens has been the odds-on favorite since the hunt for the Holder Who Dare Not Speak His Name began. But did he really do it? Well, he had a motive: As the paper and others have noted, Stevens and Coburn have clashed before -- in particular over Stevens' now-legendary "bridge to nowhere." Coburn attempted (and failed) to block the $233 million boondoggle. And revenge certainly fits the senior Alaskan's m.o. "Stevens can play rough," the *Seattle Times*noted in June. "Despite denials from his staff, he retaliates - and doesn't mind waiting years to do so." Stevens' office has so far refused to comment on the hold. Ninety-five other senators have confirmed they were not responsible. Thanks to TPMm Readers *MPGC* for the tips.
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This conflict-of-interest thing must confuse Ted and Lisa

BETH BRAGG
COMMENT Beth Bragg
comment

(Published: August 3, 2007)

As yet another fine mess embroils an Alaska lawmaker, you have to wonder:

Why is it so hard for these people to recognize a conflict of interest?

Had either Ted Stevens or Lisa Murkowski asked themselves the most basic of questions before saying yes to offers way too good to be defensible, they'd find it much easier to stay out of the cross hairs of the FBI, the IRS, political watchdog groups, bloggers, comedians and plain ol' ordinary Alaskans.

The questions they should have asked are A-B-C, 1-2-3 simple:

Would ordinary Alaskans be offered similar deals or favors?

Would Bob Penney sell his 1.27-acre Kenai River lot for $179,400 on Craigslist?

Would Bill Allen run a classified ad seeking home-remodeling projects to oversee?

The answer to each is no. Which is why the answer from the senators should have been no way.

It's that simple.

It doesn't matter that Penney has known Murkowski since she was 5 years old or that Allen has been friends with Stevens since the Paleozoic era.

What matters is that Murkowski and Stevens are United States senators, and everything they do must be free of even the appearance of a conflict of interest.

Note the use of the word "appearance." For some reason, lawmakers (and even some ordinary Alaskans) seem to think there needs to be an overt, egregious ethical lapse for something to qualify as a conflict of interest.

Wrong. It's about what looks fishy or oily, not just about what actually is fishy or oily. You don't need an indictment or a conviction for certain behaviors to erode trust.

Whether Murkowski makes decisions that will benefit sport fishing (Penney's domain) or Stevens makes decisions that will benefit the oil industry (Allen's) doesn't really matter.

What matters is, by accepting deals or services unavailable to the rest of us from well-connected heavyweights whose prosperity might be affected by lawmakers' decisions, Murkowski and Stevens

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give ordinary Alaskans legitimate reason to wonder if the senators can do their job without being compromised.

There's no question both got something the average person won't get. If in doubt, review the previous questions.

Murkowski realized the appearance of a conflict was significant enough to give up the land she and her husband bought from Penney. Her cry-me-a-Kenai-River-lament that criticism of the deal cost her family the Alaska home they deserve is shameful. She never should have taken the deal in the first place. She deserved every bit of scrutiny she received. She and her husband should have shopped for land the same way other Alaskans do, or at least those Alaskans who don't have cozy relationships with the rich and powerful.

When you're an elected or appointed official, ethics trump friendships. You must avoid the appearance of conflict in matters both professional and personal. Simple as that.

Problem is, Alaskans have long enabled the pervasive mentality among lawmakers that it's OK to cash in on their office and influence, that it's OK to take consulting jobs they wouldn't get if they were merely cabinet makers, that it's OK to let oil-industry bigwigs like Allen dictate lobbying laws.

Juneau insiders say they've long been aware of the culture of corruption at the state level, but it took federal investigators to kick over the stone and expose the Tom Andersons of that world. And most Alaskans sat by quietly as majority lawmakers delayed fixing state ethics laws that had allowed a former attorney general to take a lead role in a project that could have steered business to a company he owned more than $100,000 worth of stock in.

The other day I heard a woman talking about the scene in "The Simpsons Movie" where Homer learns Alaskans receive annual checks for "letting the oil companies ravage" the state's natural beauty. "I always wondered why we got them," she said, not considering for a minute the line was a commentary on the state's love affair with the industry that helped spawn Allen and his dirty deeds.

Lawmakers may be too stupid or too arrogant to recognize obvious conflicts, but ordinary Alaskans deserve part of the blame for letting them get away with it for so long. Even now, people defend Murkowski by saying her long friendship with Penney exempts their deal from criticism and defend Stevens by saying his four-bedroom, three-bath Girdwood home assessed at $440,900 is modest and therefore immune from scrutiny.

Until everyone accepts that the only rewards lawmakers deserve is their salary, their considerable power and influence, and perhaps their re-election, we're stuck in this fine mess together.

Beth Bragg's opinion column appears Wednesday, Friday and Sunday. Her e-mail address is bbragg@adn.com.

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FBI - Stevens-886

Cowdery's boat burns and sinks -
RESCUED: Fishermen pick up the legislator and his passengers.

Anchorage Daily News (AK)
August 3, 2007
Author: KYLE HOPKINS
khopkins@adn.com
Staff

Estimated printed pages: 2

Sen. John Cowdery's boat caught fire and sank Wednesday night near Whittier, according to two fishermen who took him to safety.

Tory Freeman said he and a friend were finishing a day of fishing when they heard a report over the radio of a boat in trouble. They saw Cowdery's 40-plus-foot boat nearby, carrying the Anchorage Republican and three adult passengers, billowing smoke.

"The cabin was totally filled with like this really thick, white smoke; it was like an electrical fire," Freeman said.

"John Cowdery ... stuck his head out of the cabin, and we yanked him out of there."

The fire began on a boat called the Johnita about 6:40 p.m. on the southwest side of Esther Island, said Chief Petty Officer Barry Lane of the U.S. Coast Guard.

It wasn't the first time one of Cowdery's boats has sunk.

On his personal Web site, Cowdery writes that he bought a 50-foot-plus pleasure boat around 2000 and named it Johnita II. One of Cowdery's staff members got married on that vessel, he wrote.

Whittier harbormaster Mike Davidson said the Johnita II sank in the winter of 2000 or 2001 at the Whittier dock, but was recovered and repaired.

Cowdery could not be reached for comment Thursday. A woman who answered the phone at his home hung up when a reporter identified himself.

Freeman and a longtime friend, Jeff Ohman, spent Wednesday bottomfishing near Whittier. Ohman said they were headed home when they passed Cowdery's boat and saw smoke, but thought it was just heavy exhaust.

Then no more than two or three minutes later a mayday call came over the radio, and they turned Ohman's new 22-foot Hewescraft -- the Live and Learn -- to help.

"The boat was engulfed in smoke like you see in a house fire," Ohman said.

Cowdery told the fishermen that he'd just filled the boat with fuel, Freeman said. After the senator and his passengers boarded the good Samaritan boat, they left for Whittier and watched as the Johnita erupted in flames, Freeman said.

Another boat in the area soon reported that the boat had sunk. The fishermen said no one appeared to be hurt.

The Coast Guard is investigating the incident.

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194A-AN-13620-M;417

Palin to discuss special session -
OIL TAX FORMULA: Legislature would address possible malfeasance.

Anchorage Daily News (AK)
August 3, 2007
Author: STEVE QUINN
The Associated Press
WIRE

Estimated printed pages: 2

Gov. Sarah Palin will outline her plans for a special session on the state's petroleum profits tax during a news conference here this morning.

Palin will be joined by Revenue Commissioner Pat Galvin, who is expected to have a report prepared on the tax system passed last year, said deputy press secretary Sharon Leighow.

The tax formula, based on profits rather than gross sales, has been under scrutiny after three former lawmakers came under federal indictment in May.

Vic Kohring, Bruce Weyhrauch and Pete Kott, all Republicans, are charged with taking bribes or extorting favors in exchange for votes on the state's oil tax last year.

All three were arrested May 4 and have pleaded not guilty. They are awaiting trial this fall.

The day after they were charged, Palin pledged to take a look at the potential role any malfeasance may have had on the current tax.

"There are a lot of things we will be walking through, investigating and studying," Palin told The Associated Press that day. "We will see what kind of influence was effective in terms of the administration proposing what they proposed and lawmakers adopting what they adopted."

One day after the state's Legislature adjourned in mid-May, she announced plans to have this session, possibly outside of the state's capital, in the fall.

Today, she will answer long-awaited questions of where and when.

Recently she said she would like to have the session where there is a road system providing access to a majority of the lawmakers and citizens, which Juneau does not have.

But Palin had also said she was alarmed at the cost for the one-day session lawmakers held in Anchorage two months ago. It surpassed $100,000.

Still, Leighow said the governor's wishes to take advantage of the road system has not changed, making Anchorage and Fairbanks likely candidates.

"Gov. Palin has always favored having this special session somewhere on the road system so Alaskans could have access to the lawmakers," Leighow said. "She's never wavered."

Just because the announcement is to be made in Juneau does not mean Palin will call for it to be in the capital, Leighow said.

Palin has spent most of the interim in Anchorage or traveling out of state, including a trip to Kuwait to visit Alaska-based soldiers serving in the Middle East.

Her office and mansion have been undergoing repairs, asbestos abatement and restoration during the interim, so working outside the capital was logical, Leighow said.

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House Speaker John Harris, R-Valdez, said he has not heard any specifics about the session's mission or location.

"What I want to do is encourage the governor to do what's most beneficial to getting in a good process for whatever they are proposing," Harris said.

FBI - Stevens-889

Despite reservations, Alaskans vote for reform

Anchorage Daily News (AK)
August 3, 2007
Author: McClatchy Newspapers Staff
Estimated printed pages: 2

Alaska's entire congressional delegation voted for the ethics bill.

There had been some question earlier this week whether Sen. Ted Stevens would vote for the measure because he had objections to the stricter provisions for chartered plane travel. Both he and Sen. Lisa Murkowski said they thought the new rules would make it more expensive to charter planes to travel within the state.

But for Stevens, it was no time to cast a vote against ethics reforms -- just days after the FBI raided his house as part of a corruption probe. The raid proved awkward timing for GOP leaders, who were working to show that they are as tough on ethics as their Democratic counterparts who pushed the bill through the House and Senate.

Murkowski said she had spent a lot of time thinking about how to vote on the bill, in part because she thought that earmarks should be even more transparent than the standards in the legislation.

Like Stevens, she had concerns about the charter plane provisions. And like Stevens, she has had problems. A watchdog group filed an ethics complaint against her after news reports surfaced about a sweetheart land deal she had with a developer and family friend. Murkowski, stung by the criticism over the deal, sold the land back for its asking price.

It's also clear that people across the country want to hold Congress to high standards, Murkowski said, and now is the ideal time to pass such guidelines and show the public that they are serious about change.

"People want to know that we really have made a change in that direction," she said.

Rep. Don Young, R-Alaska, voted for the measure in the House earlier in the week.

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State to hire consultants to review oil tax

TASK: Experts will look at other plans, consider alternatives to the PPT.

The Associated Press
Published: August 4, 2007
Last Modified: August 4, 2007 at 05:18 AM

FAIRBANKS -- The state Tax Division hopes to hire five consultants to review Alaska's new oil tax.

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"The state's going to need to draw on a number of areas of expertise, and each of the contractors has certain strengths in different areas," said Jonathan Iversen, Tax Division director.

Barring protests, the state will award contracts to Gaffney Cline & Associates, Arthur D. Little, Research Associates, PFC Energy, and Martindale Consultants Inc.

All five have done work internationally. The state Department of Revenue has contracted in the past with all the companies except Research Associates, according to deputy revenue commissioner Marcia Davis.

Research Associates is operated by Richard Fineberg of Ester and is the only Alaska-based company. Fineberg served as senior oil and gas adviser to the governor in the late 1980s.

The division requested proposals in July for a consultant to help figure out how Alaska's new petroleum profits tax, or PPT, compared to other taxes around the world, and to help consider alternatives if needed.

The proposal request described a six-month contract running through January 2008. Consultants would be expected to testify on new tax proposals. The contract budget was capped at $400,000.

The Tax Division picked consultants based on their understanding of the project, work plan, experience and cost. A preference was given to Alaska applicants.

Iversen said the division plans to split tasks among the companies and to have some "cross-checking," with multiple companies researching the same topic.

Companies will be paid for tasks they are assigned.

"It's an expensive undertaking, but we will be using these experts frugally," he said.

The Department of Revenue already is reviewing the PPT. According to Iversen, the consultants will add to the expertise available at the departments of Revenue and Natural Resources.

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194A-AN-13620-M;420

Palin sets special session date -
OCT. 18: She wants review of oil profits tax; location still undecided.

Anchorage Daily News (AK)
August 4, 2007
Author: STEVE QUINN
The Associated Press
WIRE

Estimated printed pages: 4

Alaska's oil tax system is not only failing the state, but it's tainted with corruption, Gov. Sarah Palin declared Friday.

So she will call lawmakers back to work Oct. 18 to review the state's petroleum profits tax, also known as PPT.

Palin, however, has not selected a site for this special session, which could take up to 30 days. A one-day special session in June was held in Anchorage.

This means lawmakers will be in session soon after the Oct. 1 deadline for interested companies to submit applications for building a multibillion-dollar pipeline to ship trillions of cubic feet of natural gas to market.

The tax formula, based on profits, not gross sales, is coming up short of projections, according to a report prepared by Revenue Commissioner Pat Galvin.

PPT came under additional scrutiny in May after three former lawmakers were indicted on bribery and extortion charges in connection with the tax law.

"PPT just is not working as had been promised," Palin said. "We are in great need of creating an environment here in Alaska of investment.

"Revisiting PPT can tackle that issue and also allows legislators to basically start anew, to remove the taint of corruption and restore public trust."

Palin's comments fall right in line with concerns by Democrats that date back to last year when PPT was being debated in regular and special sessions.

Many Democrats say the state is losing millions under this formula, but Palin did not call for any specific changes just yet. Still, she plans to give legislators specific direction for reviewing PPT by Sept. 4.

Galvin's report states that PPT forecasts will fall short of projections of a year ago and that PPT is not doing enough to stimulate investment.

On one hand, Galvin's forecasts for fiscal year 2008, which began July 1, show PPT would generate $250 million more than the previous system, considered outdated for the North Slope production. It still comes up $800 million short of what was predicted last year by former Gov. Frank Murkowski's administration.

Last year, the state also underestimated operating costs that oil companies would be deducting, Galvin said.

Some lawmakers, however, want to make sure the administration isn't rushing toward judgment just one year after the new system was put in place.

"I don't know if there has been enough time under the present system," said House Speaker

John Harris, R-Valdez. "But if the administration makes a good case that the system is broken, and it needs to be changed, then we ought to look at it."

Harris also told Palin in an unsolicited May 7 letter that he would support revisiting the PPT should she deem it necessary.

His letter followed the arrests of former lawmakers Vic Kohring of Wasilla, and Bruce Weyhrauch and Pete Kott of Juneau on bribery and extortion charges.

All are Republicans and charged with taking bribes or extorting favors in exchange for votes on the oil tax last year.

All three were arrested May 4 and have pleaded not guilty. They are awaiting trial this fall.

The day after former lawmakers were charged, Palin pledged to take a look at the potential role any malfeasance may have had on the current tax.

Once the Legislature adjourned a few weeks later, Palin announced her intent to have a special session on PPT, possibly outside the capital.

Palin said she first wants feedback from lawmakers on where they believe the session should be held. She will ask Senate President Lyda Green and Harris to submit a recommendation by Sept. 4.

"The governor is right in that it's incredibly important content, but we need to have the special session in Juneau," said Minority Leader Beth Kerttula.

"We have the infrastructure in place," she said. "You don't want to make decisions like that when you're worrying about where you're going to have an office or where you're going to sleep."

Palin has made several trips back to Juneau since the end of the session, including trips for bill signings. She has signed 62 bills since May 16.

She has attended a national conference in Michigan and traveled overseas to visit Alaska-based troops in Kuwait.

For lawmaking, Palin said she understands that sessions held outside of Juneau are an emotional issue for those who cherish the city's role as the capital.

She said she is simply trying to make the Legislature more accessible to the public year-round and not renew a push to move the capital.

That's why she wants the legislators' consideration for a site that has road access, which Juneau lacks, she said.

"The desire by a lot of Alaskans to be able to participate and access their lawmakers via special sessions isn't a step toward moving the capital out of the city of Juneau," she said.

"I keep repeating that, but I guess our actions will have to speak louder than words. That's our message."

INSIDE

EXTRA HELP: The state hopes to hire consultants to review the petroleum profits tax.

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Caption:

FBI - Stevens-893

Reports of corruption shake Alaska delegation's credibility - CRITICISM: Stevens, Young shrug off questions and continue to work.

Anchorage Daily News (AK)
August 5, 2007
Author: ERIKA BOLSTAD
ebolstad@adn.com
Staff

Estimated printed pages: 6

It was just two days after Monday's FBI raid on U.S. Sen. Ted Stevens' house, and his colleague, U.S. Rep. Don Young, was at a press conference to attack a Democratic energy bill. It was the first time reporters were able to ask Young any questions since the news emerged that he, too, was under federal investigation.

Young swatted away the inquiries. He didn't really open up until he was asked about Alaska-related projects he inserted into a federal water bill -- including money for a study of the proposed bridge across Knik Arm, a project known to the rest of America as one of the "bridges to nowhere." He grinned, happy to answer questions about the millions of dollars he has squirreled away for his home state.

"Oh yeah, I did real well," Young said, before hopping an elevator and avoiding additional questions. "I'm happy."

These days, though, such boasts make many in both Alaska and Washington cringe, especially as it becomes more apparent that two-thirds of the state's congressional delegation is being investigated for improprieties connected with how they allocated federal money. Many people also have started to question how a delegation weakened by criminal investigations and ethical concerns can continue to effectively represent a place that, since statehood, has depended on federal money and attention to thrive.

NEWS REPORTS DON'T HELP STATE

Even as she refused to speculate about the investigations involving her two colleagues, Alaska's other U.S. senator, Lisa Murkowski, said she realized that the news about the Alaskan delegation - as well as recent questions about the ethics of the Kenai River real estate deal she was involved with -- hadn't been good for the state.

"There has been a very intense media scrutiny on Alaska," Murkowski said. "And it's one thing if you read about it in our own newspapers or hear about it on the 6 o'clock news. It's another thing when you see the media reports coming out of New York and the Washington Post. We all want coverage to be good about our state. And I acknowledge that it is not particularly good news for Alaska."

There was another development in Washington last week that had an effect on the delegation. The House and the Senate passed an ethics bill calling for more detailed and transparent disclosures about earmarks, the special spending allocations that have made the Alaska delegation so infamous. It's a change that has made it just a little bit unsavory for Stevens and Young to continue to brag, as Young once did in 2003 of an appropriations bill, that he "stuffed it like a turkey."

The Alaska that once appreciated such talk has changed in the past 40 years, said Willie Hensley, a former state lawmaker and a founder of the NANA Regional Corp. who now lives in Washington and handles government relations for the Alyeska pipeline.

As the state matures, its leaders have to be cautious about how they look to the rest of the nation, Hensley said. That means they can no longer afford to appear as though they're

194A-AN-136620-M; 422

cravenly grabbing for federal money -- and its leaders can't be tarnished by ethical problems. There is simply less tolerance for such behavior, even though Alaska might still need the federal help, he said.

"Alaska is somewhat fragile," he said. "Oil is about the only thing that pays its way, really. I don't think we have a lot of room for error in our political judgments, and we have to have the best people we can in there, using their judgment and influence."

NO RESPONSE, THANKS

Like Young, Stevens also has refused to talk about the investigation, or directly address the question on a lot of people's minds: Has the investigation become such a distraction that it hampers his ability to work on behalf of the state?

His spokesman, Aaron Saunders, said in a written statement that "Sen. Stevens remains committed to working with members of the Appropriations Committee to ensure Alaska receives the same rights bestowed upon other states -- the right to basic transportation, clean drinking water, essential education programs, quality public housing and other things that Americans in the Lower 48 take for granted."

And in fact, both Young and Stevens have been busy, even with the distraction of reporters camped outside their offices hoping they'll say something about the ongoing investigations.

Stevens and Murkowski co-sponsored a resolution to protect Arctic fisheries. Congress passed a Stevens-sponsored bill to direct more money to research in science, technology, engineering and math. He introduced legislation to enhance child pornography enforcement. And he and the rest of the state's delegation approved sweeping ethics reforms in Congress.

Young, who had prostate surgery and was out for a few days in July, jumped right back into the legislative fray by attacking a Democratic energy bill as "energy suicide" on the House floor Saturday -- as Congress went into an extended session. And as the former chairman of the House Transportation committee, he called on the president and Congress to consider a new gasoline tax that would pay for upgrades to the country's infrastructure, improvements that Young said would help prevent tragedies like the Minnesota bridge collapse.

As senior GOP lawmakers who held powerful committee posts, both Young and Stevens had already lost much of their influence when Democrats took control of Congress last fall. But their legacy of federal earmarking lives on in Alaska.

For years, Alaska has topped the list of states with the most per-capita federal government spending. There is no underestimating the role federal spending plays in the state's economy, said Scott Goldsmith, an economist with the Institute of Social and Economic Research at the University of Alaska Anchorage.

One third of Alaska's economy is based on oil, another third is based on federal government spending, and the final third is everything else, said Goldsmith.

FBI - Stevens-895

"The federal dollars that come into Alaska are clearly a very important part of the economy and influence the economy in myriad ways," he said. "Just because they're trying to tighten up in general on earmarks, those earmarks and grants in general are in jeopardy, and to the extent that gets squeezed, it has a negative effect on our economy."

But Goldsmith also points out something interesting about the federal money that keeps one-third of the state's economy afloat: It's mostly in the form of everyday spending that would come to Alaska regardless of who is in office. It includes salaries for federal employees such as postal workers, military spending, highway money and even Social Security payments to retirees.

"Much of the federal money that comes into the state is insulated or not really very sensitive to the kind of problems were seeing right now with our delegation," Goldsmith said. "Those come independent of what your legislators are doing."

SENSE OF IMPENDING FALL

Politically, many smell blood.

For the first time in years, Rep. Don Young has a challenger with fundraising juice: Jake Metcalfe, a former Anchorage School Board president and former head of the state Democratic Party, who announced his candidacy last week. Democrat Diane Benson, who challenged Young in 2006, is also running. There may be more. There's also serious talk about both Republicans and Democrats considering a run against Stevens - people who wouldn't have dared take him on in past years.

The delegation's actions have consequences for the state, said Ethan Berkowitz, a Democrat and former state lawmaker who ran for lieutenant governor last year. Berkowitz is now considering a bid for Stevens' seat, and also has thought about running for Young's. He expects to make an announcement in September.

"As long as the current delegation is there, Alaska's going to be cut up in the process," Berkowitz said. "In my judgment, they're hurting the state. The national perception of Alaska is something we need to change."

Metcalfe was in Washington last week and said it was "scary" to see the headlines about Alaska politicians under investigation. He said Young and Stevens have been in Washington too long.

"Their generation has passed and I think their effectiveness has really diminished in the past four years," he said. "Part of that has to do with the Democrats taking over, but part of it is the style of leadership. When you have the corruption and the offices stained by what's happened, people don't believe government works for them. They believe it works for the special interests and campaign contributors."

That generational shift may have already started within the state's Republican Party, with the election last year of a governor whose first order of business was to pass an ethics reform bill.

"It's a generational shift that's going on, but it's also a values shift that's going on," said Gov. Sarah Palin.

The "culture of corruption" that has become ingrained in Alaska politics is a poor example to the rest of the nation as the state tries to be taken seriously in negotiations over a natural gas pipeline, Palin said.

"We have to prove that we are responsible, that we are trustworthy, that we are truthful up here," she said. "Our actions have to speak louder than our words."

Find Erika Bolstad online at adn.com/contact/ebolstad.

FBI - Stevens-896

The Alaska political corruption investigations

Anchorage Daily News (AK)
August 5, 2007
Author: Compiled by David Hulen and Richard Mauer / Anchorage Daily News Staff

Estimated printed pages: 6

A broad federal investigation of public corruption has been under way in Alaska for more than three years, although it didn't become widely known until Aug. 30, 2006. That's when teams of federal agents executed search warrants at the offices of six state legislators and elsewhere around the state. The government has since brought indictments and won a jury verdict and several guilty pleas. The investigation continues, with grand juries hearing secret testimony in Anchorage and Washington, D.C. Last week, federal agents searched the Girdwood home of U.S. Sen. Ted Stevens, drawing national attention.

Authorities have said very little about the overall shape of the inquiry, where it's headed or what's being investigated. Here's some of what's known:

WHO IS CONDUCTING THE INVESTIGATIONS?

It's being run by the FBI, the IRS and the U.S. Justice Department's Public Integrity Section from Washington, D.C., which focuses on government corruption cases. Two prosecutors from the Alaska U.S. Attorney's Office have been assigned to the effort.

CHARGED AND AWAITING TRIAL

Former Alaska House Speaker Pete Kott of Eagle River. Indicted in May on bribery, extortion and conspiracy charges, Kott is accused of taking payoffs and a promise of a job from Veco to help push an oil-production tax favored by the industry through the Legislature in 2006. Aside from cash, he's accused of being paid a "fraudulently inflated" fee by Veco for flooring work and a promise of a future job. He pleaded not guilty. Trial is scheduled for September.

Former Rep. Vic Kohring of Wasilla. The chairman of the Special Committee on Oil and Gas was indicted in May on bribery, extortion and conspiracy charges, accused of taking cash and a loan from Veco executives in exchange for supporting the company's position on the oil tax. A member of the Legislature when indicted in May, he later resigned under pressure from constituents and Republican House leaders. He pleaded not guilty. Trial is scheduled for October.

Former state Rep. Bruce Weyhrauch of Juneau. Charged with bribery, extortion and conspiracy, Weyhrauch is accused of switching his vote on the oil tax after receiving instructions from Kott and Bill Allen. He's also accused of soliciting work for his legal practice from Veco in exchange for his vote. He pleaded not guilty. Trial is scheduled for September.

PLEADED GUILTY FBI - Stevens-897

Longtime Veco CEO Bill Allen. He pleaded guilty in May to charges of bribery, extortion and conspiracy for his dealings with four legislators: former Reps. Pete Kott, Bruce Weyhrauch and Vic Kohring, and former Sen. Ben Stevens (described in the plea as "State Senator B"). The first three were charged; Stevens has not been. Allen also admitted paying a "bonus" in company funds to executives for illegal campaign contributions in 2005 and 2006. For more than two decades, he was a major political fundraiser for Alaska politicians. He resigned from Veco after his guilty plea and awaits sentencing.

Veco vice president Rick Smith, who ran the company's government affairs operations. He worked part of the year out of a suite in Juneau's Baranof Hotel that was being secretly

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monitored by the FBI. In May he pleaded guilty to the same charges as Allen. He admitted, with Allen, to making more than $400,000 in payoffs to elected officials and illegal campaign contributions. Resigned after plea, awaits sentencing.

Lobbyist Bill Bobrick. A longtime lobbyist at the city level and one-time head of the Alaska Democratic Party, he pleaded guilty in May to conspiracy for bribing Anderson while working for a private prison company, Cornell Cos. He testified against Anderson and is awaiting sentencing.

TRIED AND CONVICTED, AWAITING SENTENCING

Former Anchorage state Rep. Tom Anderson. In December, he became the first person charged. On July 9, a federal jury convicted him on all counts of bribery, conspiracy and other charges connected with taking payoffs from Bill Bobrick, a lobbyist for a private prison company. Anderson worked as a consultant for Veco, the oil field services and engineering company at the center of the broader investigation, although none of the charges against him concerned Veco. It was revealed during his trial that federal agents were investigating corruption in the Alaska Legislature as far back as early 2004. He's awaiting sentencing.

OTHERS CONNECTED WITH THE INVESTIGATIONS

U.S. Sen. Ted Stevens. He has represented Alaska since 1968 and is the most senior Senate Republican in history. Stevens has come under political attack recently from fiscal conservatives and others for his use of earmarks to direct programs and money to Alaska. Some of the earmarks benefited his son Ben and a former aide, Trevor McCabe, and their clients. Veco's Allen oversaw a construction project in 2000 that doubled the size of Stevens' Girdwood home, and investigators have been trying to learn if at least some of that work was an improper gift.

Former state Sen. Ben Stevens. In his plea agreement, Allen admitted making improper payments of $243,250 to "State Senator B" -- an unmistakable reference to Ben Stevens, the former state Senate president. Ben Stevens' office was searched in the August 2006 raids and was later visited again by FBI agents seeking information about his fishery interests and benefits he may have received from legislation written by his father. He was paid hundreds of thousands of dollars as a consultant for various commercial fishing companies and groups, and chaired a federally funded panel, created in an earmark by his father, that awarded grants to some of those entities.

U.S. Rep. Don Young. Alaska's sole U.S. representative since 1973, Young has been widely reported to be under investigation over his own ties to Veco and use of earmarks, although details of what is being examined are unclear. Since 1989, he has received more than $212,000 in campaign donations from Allen, Smith and other Veco executives, making the company by far his top contributor. One of Young's aides has pleaded guilty in the Jack Abramoff lobbying scandal, and Young himself has ties to the lobbyist. Young has come under political attack for adding earmarks to transportation legislation that would benefit a Wisconsin trucking company and a Florida real estate mogul, both of whom contributed to his campaigns. Young recently reported spending $262,000 in campaign funds on unspecified legal fees during the first six months of 2007.

Trevor McCabe. Seward native and former legislative director to Ted Stevens, he became partner in a consulting business with Ben Stevens, and lobbied Congress on behalf of a Southeast salmon group that obtained federal funds from Ted Stevens. An attorney and lobbyist, McCabe has represented other seafood interests as well. With two partners, McCabe sold property to the Alaska SeaLife Center in Seward at a price substantially above its appraisal after Ted Stevens provided the money in an earmark.

Frank Prewitt. Former state corrections commissioner who became a consultant to Cornell Cos., a private prison company that wanted to build a large prison in Alaska (at one time

teaming with Veco). Prewitt was being investigated by the FBI in 2004 when he agreed to work for the government to root out corrupt legislators and lobbyists. He passed out money and recorded conversations, providing the foundation for the Anderson case.

Sens. John Cowdery, R-Anchorage, and Donald Olson, D-Nome, also had their offices searched in August 2006, but have not been charged.

ENTITIES CONNECTED WITH THE INVESTIGATIONS

Veco Corp. An oil field services and engineering company that operates extensively in Alaska and elsewhere, Veco has been among the most politically active companies in the state for years. It has lobbied in Juneau for legislation beneficial to the oil industry and aggressively supported pro-development candidates in Alaska and Outside. Since 2000, the company received more than $40 million in federal contracts, according to the database FedSpending.org. Allen and Smith are the only two Veco executives charged. While Bill Allen has stepped down, his family still owns a majority of the company. Denver-based CH2M Hill is in negotiations to buy it.

Alaska SeaLife Center. The Seward research center and visitor attraction was built, in part, with settlement money from the Exxon Valdez oil spill, and run with heavy federal financial support engineered by Ted Stevens. Investigators are examining a deal in which the SeaLife Center bought property from former Ted Stevens aide Trevor McCabe and partners at a price substantially above its appraisal after Stevens provided the money in an earmark.

Alaska Fisheries Marketing Board. Created by Sen. Ted Stevens in 2003 to boost the North Pacific fishing industry, the nonprofit has distributed some $30 million in federal money to seafood companies and other entities to promote their products. Ben Stevens served as chairman of the board until last year, and while he was in that role the board awarded millions in grants to groups that paid him consulting fees. Last November, a grand jury in Anchorage issued subpoenas to several North Pacific seafood companies and groups demanding records on their dealings with the marketing board, Ben Stevens, McCabe (who also sat on the board) and others.

FBI - Stevens-899

NewsBank inc Access World News

Paper: Anchorage Daily News (AK)
Title: Kohring asked to step aside -
SCANDAL: Corruption charges against Wasilla representative taint other lawmakers, some say.
Date: June 5, 2007

House leaders have asked Rep. Vic Kohring to consider resigning because of his indictment in a bribery scandal, as pressure in the Wasilla lawmaker's district mounts to remove him from office by special election.

House Speaker John Harris, R-Valdez, and House Majority Leader Ralph Samuels, R-Anchorage, said they relayed to Kohring last week the concerns of fellow lawmakers that the corruption scandal is tainting them all. They met with Kohring in his Mat-Su home.

A federal grand jury indicted Kohring last month as part of a wider corruption probe. Prosecutors have accused Kohring, a Republican, of selling his vote on the state petroleum tax last year to the Anchorage oil field services company Veco Corp. Kohring and two former legislators also under indictment have pleaded not guilty. Veco executives Bill Allen and Rick Smith pleaded guilty to conspiracy, bribery and tax charges. Allen and Smith have since resigned from Veco.

Kohring's trial is scheduled to begin Oct. 22 in Anchorage.

Samuels said he and Harris approached Kohring to share serious concerns expressed by several other lawmakers regarding the impact the corruption scandal was having on the public's trust in the Legislature.

"We didn't go out there to try and force him to resign; we just want to make sure he understands where his colleagues are at with the situation," Harris said, adding that Kohring was still innocent until proven guilty.

Harris said he was not considering expelling Kohring from the House at this time.

But in Wasilla, public pressure has led to a call for his resignation and even inspired "Recall Vic" T-shirt sales.

Wasilla City Councilman Mark Ewing last month began gathering signatures for an application requesting a special election to strip Kohring of his House seat. The application for the recall must have at least 709 signatures before the state Division of Elections will review it. Ewing said volunteers had already collected the required minimum but planned to double the amount in a "blitz weekend" before filing it next week.

"The focus is to get us some representation in Juneau that is stable and trusted," Ewing said. "A lot of his supporters who gave him $500 every time he ran are signing this thing."

Getting the 709 signatures is only the first of several steps that must be completed before a recall election would be held.

If the Division of Elections approves the recall application, Ewing would then need to collect at least 1,770 signatures -- equaling 25 percent of the voters from the district's last election. The elections division could order a special recall election after this second set of signatures is in hand.

Gov. Sarah Palin, who is from Wasilla, said last month Kohring should step down. As governor, Palin would appoint another Republican to replace him if he resigned or is recalled.

Kohring said Monday that he would respond only to questions for this article that were e-mailed to him. He then did not respond to the e-mail.

FBI - Stevens-900

Kohring was aware of fellow lawmakers' concerns, Samuels said. Kohring responded openly to the discussion, saying he continued to labor over what would be the best for him, the Legislature and his constituents, Samuels said.

"He's aware of the situation that he's put himself and everyone else in," Samuels said. "Even if he did nothing wrong, there is the negative perception in the public that affects the whole institution of the Legislature."

Harris indicated Monday that he expected to have Kohring's decision within a few days on whether he will retain his House seat or step down.

If he resigns, it would remove him from participating in a special legislative session to revisit the oil tax that is tentatively scheduled for this fall.

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Palin announced that she would call for the special session shortly after the Veco executives pleaded guilty on May 7 to bribing lawmakers for their votes on the petroleum tax

Palin at the time said the corruption probe surrounding the tax debate had tainted the law and called into question if it was the right tax law for the state.

Several lawmakers have questioned if it would be appropriate for Kohring to participate in the debate again, given the allegations against him.

"I have a strong feeling that it won't be an issue at that point," Harris said regarding Kohring's presence in the fall special session. "I think we'll see a decision here pretty soon. Whether or not that's going to be him saying he will step down is ultimately his decision."

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 1-907-586-1531.
Caption:
Kohring
Caption:
Photo 1: VicKohring_060507.jpg

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Author: SABRA AYRES Anchorage Daily News Staff
Section: Main
Page: A1
Dateline: JUNEAU
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FBI - Stevens-901

NewsBank inc Access World News

Paper: Anchorage Daily News (AK)
Title: Anderson trial starts with jury selection -
EX-LAWMAKER: Prosecutors plan to play tapes that record alleged influence-peddling.
Date: June 25, 2007

Tapes secretly recorded by a federal informant will finally become public when they are played for jurors being chosen today to hear the corruption case against former state Rep. Tom Anderson.

Jury selection is set for this morning as Anderson's trial begins on seven felony counts that include bribery, extortion and money laundering.

The trial is expected to take two weeks, half for each side.

It will be the first real test of the prosecution team handling corruption cases against four former or current Alaska legislators. The team is led by the U.S. Justice Department's Public Integrity Section out of Washington, D.C., and includes two assistant U.S. attorneys based in Anchorage. Anderson is the first to go to trial.

Prosecutors have laid out their case in a 29-page trial memorandum that provides new details.

Anderson's lawyer is Paul Stockler, who is fighting to keep the government from showing certain documents to the jury, such as Anderson's tax returns and credit card bills.

"He didn't agree to perform any legislative acts in exchange for money, and the government is not going to be able to prove that he did," said Stockler, who has listened to hundreds of hours of recordings.

Anderson, 39, was elected to serve East Anchorage in the House in 2002 and again in 2004. He didn't run last year. His wife is state Sen. Lesil McGuire, and their relationship is an issue in the government's case.

HELP FOR PRISON

The prosecution says Anderson was part of a scheme initiated by former lobbyist Bill Bobrick to funnel payments from a private prison company to Anderson.

Prosecutors assert that Anderson sold his legislative office for $12,828 to help the private prison company.

While Bobrick is not named in the Anderson court documents, he has pleaded guilty to a single count of conspiracy to commit extortion, bribery and money laundering and agreed to testify against Anderson.

Bobrick for years had a long list of clients with city business but gave them up after his guilty plea.

In a written summary of the case, prosecutors say they will rely on recordings made by a "confidential source" in 2004 and into 2005. They haven't named the source, but Frank Prewitt, a former state corrections commissioner, confirmed it was him. After leaving his state post, Prewitt became a contract consultant for Cornell Companies, a private prison firm based Outside.

Prewitt said in a recent e-mail that he'll be testifying but couldn't talk further with the trial so near.

In summer 2004, Prewitt was working as a confidential source on "other, unrelated investigative matters," the prosecution says without providing further description.

On July 16, 2004, Bobrick left a message on Prewitt's machine to ask whether they could "try with Cornell to help out Tom Anderson."

In a meeting five days later, Prewitt asked "what could Tom do?" Bobrick answered "be our boy in Juneau." He said he planned to create a political newsletter, which he later said would be published on the Internet. Anderson would help set it up and write for it, Bobrick told Prewitt.

The real question, Prewitt said, was "what can Anderson do for Cornell?"

Cornell was not aware of the bribery scheme or Prewitt's role in the undercover investigation, the Justice Department has said.

'TWO LEGISLATORS'

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Bobrick noted Anderson's romantic relationship with another legislator and said Cornell would "get two (legislators)-- you know, Chair of Labor and Commerce (Anderson), and Chair of Judiciary (other elected official) ... that's the minimum we're going to have next year."

McGuire, then a state representative, chaired Judiciary. She and Anderson married in 2005.

Stockler, Anderson's defense attorney, said he's stunned that the prosecution brought up McGuire because he said she hasn't done anything wrong.

"I'm at a loss as to why they would put that into the pretrial memo," Stockler said. "You can imagine what effect that had in that household as I'm trying to get Tom ready for trial."

Once the trial begins, the prosecution is expected to play snippets of the tapes made by Prewitt. Stockler said the defense will push to get longer or different sections of the recorded conversations before jurors so they have a more complete picture of Anderson.

On Thursday, Stockler filed a motion to bar the prosecution from using Anderson's Visa statements, bank records, credit reports, and tax returns.

"Any minuscule relevance of this type of evidence is substantially outweighed by the danger of unfair prejudice and confusion of issues," Stockler wrote.

Prosecutors did not return calls last week but their trial memorandum describes the early days of the alleged scheme and lists a variety of "official acts" they claim Anderson performed for money.

PUSH FOR FEASIBILITY STUDY

In an Aug. 17, 2004, meeting with Anderson, Prewitt said he could pay $24,000 to the legislator and Bobrick but would need Anderson to further Cornell's interests in the Legislature. In particular, Cornell needed help pushing the state Department of Corrections to do a feasibility study for a private prison.

Anderson said he could call the corrections commissioner in October and say "in November you have (this feasibility study) done," according to the trial memo.

All the money should go through Bobrick, Anderson said. The Alaska Public Offices Commission "only needs to know ("Lobbyist A") pays me and then we're always safe," Anderson is quoted in the trial memo as saying.

On Oct. 20, 2004, Prewitt asked Anderson for help changing the rules on halfway houses. Cornell wanted to minimize costs by shifting inmates and staffing. State rules at the time required minimal staffing levels, regardless of the number of offenders.

The next day, Anderson faxed a letter to then-Corrections Commissioner Marc Antrim on legislative letterhead. The letter drew from an e-mail draft provided by Prewitt. Anderson asked for a meeting with Antrim about "budget challenges for the private contractors."

A day after that, Prewitt made the second of three $8,000 payments to Bobrick, who kept half or more of the money each time. Later, after Anderson complained about his share, Prewitt made a separate $2,000 payment directly to him, prosecutors say.

All the money was provided by the FBI.

On Oct. 29, Anderson met with Antrim in his Anchorage legislative office and talked about halfway houses.

The next month, Anderson sat down with Prewitt and described his understanding of the relationship.

"Unless you want me to (quit the Legislature) and, you know, work for you. But no, you don't want that. You want votes in the Legislature, I would assume," Anderson is quoted as saying.

"Of course," Prewitt responded.

FBI - Stevens-903

One project Cornell sought help on was a planned residential psychiatric treatment center in Anchorage. The center to treat troubled youths required a state certificate of need.

Anderson testified at a public hearing in Anchorage on Nov. 17, 2004, at which state officials were considering competing applications to build a center.

Anderson told the crowd that he didn't have a connection with either group.

"But with Cornell, I have met with administrators and see how they function and work, and certainly could endorse them to that end," Anderson said, according to a transcript of the hearing.

Cornell never got its center.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.
Caption:
Anderson
Caption:
Photo 1: Anderson.1_062507.jpg

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Author: LISA DEMER ldemer@adn.com Staff
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FBI - Stevens-904

NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Corruption trial uncovers FBI mole -
DON STOLWORTHY: Deputy prisons chief was "glad to help."
Date: July 1, 2007

A former deputy corrections commissioner whose name came up Friday in the Tom Anderson corruption trial was working as an informant for the FBI in 2004 when he asked a prison company consultant for money, an FBI spokesman said Saturday.

Former Cornell Cos. consultant Frank Prewitt testified Friday that he worked with deputy commissioner Don Stolworthy that year to develop a compromise on competing bills to build a new prison. One measure could have led to a Cornell-run prison in Whittier. The other, supported by the Murkowski administration, pushed a state-run prison in the Valley.

Prewitt, a state corrections commissioner in the 1990s, testified Stolworthy told him he was worried about losing his job because of union opposition to a private prison. Prewitt said he assured Stolworthy that "people would be there for him" if that happened. Prewitt told jurors that Stolworthy eventually began seeking money, as a sort of insurance policy, if he lost his job.

But he only did that because the FBI asked him to, FBI spokesman Eric Gonzalez said Saturday. Stolworthy was working for the FBI as a "cooperating witness," he said.

"We approached him out of the blue," Gonzalez said. "We asked for his help and he said he'd be glad to help us."

Stolworthy "was squeaky clean," Gonzalez said.

The fact that Stolworthy was working undercover for the FBI never came up during the trial on Friday.

Prewitt testified that he was shocked that Stolworthy was asking for money and read him the ethics act.

The FBI won't discuss what evidence it may have collected on Prewitt through Stolworthy. But in his opening statement on Wednesday, federal prosecutor Joe Bottini said that Prewitt may have tried to improperly influence a state corrections official.

The matter came up because Prewitt is the government's star witness in the corruption case against Anderson, a former state representative. Defense attorney Paul Stockler cross-examined Prewitt on Friday about possible illegal activities in his background and pressed him on whether he was just testifying against Anderson to save himself.

Efforts to reach Stolworthy on Saturday were unsuccessful. When the state issued a statement announcing his resignation in January 2005, it said he accepted a job for the U.S. Justice Department as warden of a prison in Iraq.

Anderson's trial resumes Monday as Stockler's cross-examination of Prewitt continues.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.
Caption:
AL GRILLO / The Associated Press

Former state Rep. Tom Anderson, left, and attorney Paul Stockler walk through the Federal court building in Anchorage last week.
Caption:
Graphic 1: Anderson_Trial_AKAG105__070107.eps

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Author: LISA DEMER ldemer@adn.com Staff
Section: Alaska
Page: B1
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194A-AN-136220-MJ 426

NewsBank inc Access World News

Paper: Anchorage Daily News (AK)
Title: Bobrick tells of Web scam -
ANDERSON TRIAL: The legislator did nothing for community site but was paid anyway, jury hears.
Date: July 4, 2007

On the stand for a second day in federal court Tuesday, former lobbyist Bill **Bobrick** told jurors that his idea for a political Web site started as a real business venture in 2004 with then-state Rep. Tom Anderson.

It wasn't supposed to be a way "to bribe Tom Anderson or channel him funds. But it certainly ended up that way," **Bobrick** testified.

Ultimately, its only real purpose was to disguise payments to Anderson, he told jurors. Anderson never did any real work for the Web site and received the money "for being a legislator," **Bobrick** said. The Web site never got off the ground.

Prosecutors rested their corruption case against Anderson on Tuesday afternoon after calling eight witnesses over four days. The trial began June 25 with jury selection, which lasted 21/2 days.

Prosecutors contend that **Bobrick**'s Web site business was used to funnel payments from a Cornell Cos. consultant to Anderson so that he would do the company's bidding on halfway houses, a juvenile treatment center and a private prison. Anderson faces seven felony counts.

Bobrick has pleaded guilty to conspiracy and said he is cooperating with the government in the hope of getting a lighter sentence.

In all, Anderson received a total of $25,838, based on testimony about various checks.

That's much more money than was previously disclosed. The charges list $12,838 in payments to Anderson. The FBI actually provided the money. Cornell was unaware of any scheme, the government has said.

Bobrick, a main witness for the prosecution, appeared drained but calm during hours of testimony and then aggressive cross-examination.

Defense attorney Paul Stockler on Tuesday pushed **Bobrick** on whether he turned on Anderson to save himself, the same approach he used the day before with the other star witness, Frank Prewitt, a former corrections commissioner who then became a Cornell consultant.

"I lost my career of 20 years. I lost my standing in this community," **Bobrick** said. And he may go to prison even yet.

"My life is pretty much wrecked because of my stupid, reckless actions," **Bobrick** said. He said he made $200,000 a year as a lobbyist before the Anchorage Assembly, but no more.

Bobrick began cooperating with the FBI soon after agents called him in last September, he said. They were in front of his house and came in to play recordings of conversations. Prewitt had secretly made recordings as a "confidential source" for the FBI.

"I realized I had done something wrong and I needed to do the right thing," **Bobrick** said as prosecutor Joe Bottini questioned him. He said later that he had made "tremendous errors in judgment." When he thought the Web site would be a legitimate business with Anderson, he was "in denial," he said.

Bobrick acknowledged other troubles. He said he once asked his mother to make a campaign contribution, then felt bad about it, so he reimbursed her.

He also said he wore a wire, but prosecutors didn't introduce any of those recordings. His agreement with the government requires him to cooperate and "testify truthfully," he said.

Based on how he does, prosecutors may ask U.S. District Court Judge John Sedwick to give him less than the estimated sentence of 24 to 30 months for conspiracy. But the way his life is going, "I fully expect to be hit pretty hard," **Bobrick** said.

During the investigation, he said, the FBI would "check up on me to make sure I had not killed myself."

THE BOGUS WEB SITE

The idea with the Web site or electronic newsletter was to have stringers all over Alaska writing about their communities, **Bobrick** told

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jurors. Companies like Cornell or the developers of the Pebble mine might buy subscriptions or pay to advertise on it. State and federal issues would be aired too. Anderson could give the view from Juneau.

Wasn't it a real project, with Anderson being paid for real work? Stockler asked time and again.

"I wanted the Web site to be real," **Bobrick** said. "... I didn't wake up one day thinking, 'I'm going to bribe Tom Anderson.' "

But Anderson never produced any work, **Bobrick** said: no stories, no advertising contracts, no invoices, nothing.

Anderson had to have known he was being paid for his influence as a legislator, not for the Web site, **Bobrick** testified. "At the end of the day, that's all he had," said **Bobrick**, who told jurors he had urged Anderson to pass the bar exam so he could practice law and do real work.

Bobrick said he did pay two people to get the project going. A legislative aide to Anderson was paid to research villages, towns and boroughs as a first step to finding stringers.

And Ken Erickson, now the Web master for the House Republican majority, received $1,000 as a partial payment to design and build the Web site.

Erickson testified Tuesday that his main contact on the project was **Bobrick**. But he admitted under questioning by Bottini that Anderson requested a detailed invoice after the fact. In September 2005, he said, he submitted one backdated to Dec. 27, 2004.

He said he designed the site so that people without technical skills could easily submit their stories. But the only story that ever ended up on the site was one written by state Sen. John Cowdery, R-Anchorage, that Erickson said he put on the site just to show it worked. He checked back two or three times a year, but no one had contributed.

"I figured the project was dead or moribund," Erickson said.

Out of 100 or so Web sites that he's designed for people over the years, this is the first one that fizzled after money was invested, though maybe half die during the talking stage, Erickson said.

PUSHING CORNELL'S INTERESTS

Also on Tuesday, prosecutors asked witnesses about Cornell's push to open a residential psychiatric treatment center in Anchorage for emotionally troubled kids.

Bobrick, who was a lobbyist for Cornell on the project, told jurors that he asked Anderson to testify at a Nov. 17, 2004, public hearing about the project.

Anderson signed in on behalf of himself and never acknowledged his financial relationship with Cornell, David Pierce, with the state Department of Health and Social Services, told jurors.

Twice in his testimony that day in 2004, Anderson said he had no connection to the competing groups seeking to open a treatment center. But he said he could endorse Cornell because he had met the administrators and knew how they worked.

The trial resumes Thursday. The defense gets its chance to call witnesses.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Anderson trial at a glance

THE DEFENDANT: Tom Anderson, 39, represented East Anchorage in the state House from 2003 until this year. He did not run in 2006.

THE CHARGES: Three counts of money laundering, two of extortion and one each of bribery and conspiracy.

THE CONSPIRACY: Federal prosecutors say Anderson participated in a scheme in which he agreed to do the bidding of the private prison firm Cornell Cos. in exchange for money.

THE CO-CONSPIRATOR: Lobbyist Bill **Bobrick** pleaded guilty in May to a single count of conspiracy. He set up a company reportedly to produce a political Web site for which Anderson would write. Prosecutors say it became a sham used to funnel payments to Anderson.

THE TRIAL SO FAR: The trial began June 25 with jury selection. The prosecution rested its case Tuesday after calling eight witnesses over four days. Main government witnesses: **Bobrick** and Frank Prewitt, Alaska corrections commissioner in the 1990s and then a Cornell consultant. Working undercover for the FBI, Prewitt made about a dozen audio and video recordings involving **Bobrick**, Anderson or both. He testified that Anderson knew he was being paid to do what Cornell wanted.

THE DEFENSE: Defense lawyer Paul Stockler spent hours cross-examining **Bobrick** and Prewitt. His defense appears to be that the FBI entrapped Anderson, the government witnesses are just trying to save themselves, and the actions Anderson took for Cornell were the kinds of things that legislators do. He portrays Anderson as an eager-to-please legislator who wasn't the one who kept talking about money.

COMING UP: The trial resumes Thursday, with the defense case. Stockler indicated Anderson hasn't decided whether to testify.

Caption:
Bobrick
Caption:
Photo 1: BillMugDSC_0014_070407.jpg

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Author: LISA DEMER ldemer@adn.com Staff
Section: Main
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FBI - Stevens-908

NewsBank inc Access World News

Paper: Anchorage Daily News (AK)
Title: Anderson lawyer lays foundation for entrapment defense -
FBI TARGET: Stockler says the ex-lawmaker sought consulting work, not bribes.
Date: July 3, 2007

As the trial of former state Rep. Tom Anderson wrapped up its sixth day Monday, the defense strategy began to reveal itself.

The defense is trying to plant the idea with jurors that Anderson was lured into a trap and that Anderson didn't do anything special for the private prison firm Cornell Cos.

Federal prosecutors allege Anderson was paid $12,838 to use his legislative office for Cornell's bidding.

The government has introduced more than a dozen audio and video recordings involving Anderson, including a number in which he is heard or seen talking about his willingness to help Cornell.

But during cross examination by defense lawyer Paul Stockler, former Cornell consultant Frank Prewitt testified that Anderson wasn't even on the list of targets when he began to work with the FBI in the spring of 2004 in a corruption investigation of legislators.

Prewitt said he began secretly recording Anderson at the FBI's direction after hearing from a Cornell lobbyist in Juneau that the legislator wanted to work for the company as a consultant. Prewitt, state corrections commissioner in the 1990s, is the government's chief witness.

Stockler seemed incredulous that would get the FBI's attention. "Just a guy who is looking for some consulting work?" he said in questioning Prewitt.

But the FBI was very interested in Alaska legislators and their questionable consultant contracts, Prewitt testified.

Later, prosecutor Nick Marsh asked Prewitt about a conversation in which Anderson's consulting work for Anchorage-based oil field services contractor Veco Corp. came up.

Bill Bobrick, a lobbyist in Anchorage, met with Prewitt at the Southside Bistro in Anchorage on July 21, 2004, to talk about setting up a political newsletter or Web business that would be used to funnel payments from Cornell to Anderson. Bobrick has pleaded guilty in the scheme. As it worked out, Cornell never learned of the plan, and the money for the payments came from the FBI.

In a recording of the lunch, Bobrick tells Prewitt that Anderson was making $2,500 a month for Veco and "they just pay him to do nothing."

Stockler initially won a motion to bar the jury from hearing that. But prosecutors successfully argued Monday that they needed to show they had a reason to investigate Anderson. U.S. District Court Judge John Sedwick agreed that the conversation could be used to show it wasn't just "a lark by the government."

Did Anderson ever do anything for Cornell other than use his position as a state legislator? Marsh asked Prewitt. No, Prewitt answered.

Stockler pressed Prewitt on whether during their meetings, Anderson brought up getting paid. Usually, Prewitt acknowledged, he was the one to mention it.

"I never heard Anderson say 'Where's my money?' " Prewitt said.

FBI - Stevens-909

HOW LEGISLATORS BEHAVE

At a Dec. 21, 2004, meeting at the Whale's Tale at the Hotel Captain Cook, Prewitt slid an envelope with two checks -- one for $6,000, one for $2,000 -- to Anderson.

"He didn't even open it up and look at it?" Stockler said.

The kind of actions that Anderson took -- including asking Prewitt to e-mail him talking points about halfway houses that he then used in a letter to a state officials -- represents common behavior among legislators, Prewitt acknowledged.

The difference, he told jurors, is that Anderson was getting paid.

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While the government introduced its recordings, including a voice-mail message, videotaped meetings and phone conversations, many others weren't played for jurors, Prewitt said under questioning by Stockler.

For example, on Aug. 5, 2004, Prewitt took Anderson, Bobrick and state Rep. Mike Hawker, R-Anchorage and the head of two key budget panels, on his sailboat for a trip out of Whittier. Prewitt acknowledged he recorded the outing.

Was the FBI following along in another boat? Stockler asked.

Don't know, Prewitt answered.

Wasn't the real reason for the sailing trip to make Anderson feel like a friend? Stockler asked. Prewitt said it wasn't.

On the trip, when Hawker was asked if he was on the budget panel for health, education and social services, he responded: "I own the HESS subcommittee," Stockler said. Wasn't that kind of talk just boastful? Stockler asked. True, Prewitt said.

While Hawker's name has come up in the trial as a supporter of private prisons and halfway houses, he wasn't getting paid to take those positions, Prewitt said.

As far as Prewitt's marching orders from the FBI, he said he was told not to do anything illegal but to explore certain areas, like consulting contracts. When the FBI first approached him, Prewitt himself was under investigation for possibly illegal acts stretching back to 1994.

Was he ever told he had to "bag a state legislator?" Marsh asked him.

No, Prewitt answered.

A FRIEND IN NEED

Another witness, Marc Antrim, corrections commissioner in the Murkowski administration, testified that he was in contact with the FBI as it was investigating Anderson.

Anderson, in the letter based on Prewitt's e-mailed talking points, asked Antrim for a meeting to talk about how halfway house beds were needlessly going empty.

Antrim told jurors that in fact, low-risk inmates were being put into halfway houses, but that to fill more beds, riskier or more serious offenders would have to be placed in them. That already was happening and the number of inmates walking away from halfway houses had "gone through the roof," Antrim said.

He said he explained that in an October 2004 meeting with Anderson.

Also on Monday, Bobrick began testifying for the prosecution. He told jurors that he and Anderson had been friends for years.

Sometime early in 2004 "Tom came to me and told me he needed money," Bobrick said. "He was my friend and I wanted to help him out."

Bobrick will be on the stand again today.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

FOR MORE COVERAGE of the Anderson trial, visit

adn.com/corruption

Anderson trial at a glance

FBI - Stevens-910

THE DEFENDANT: Tom Anderson, 39, represented East Anchorage in the state House from 2003 until this year. He did not run in 2006.

THE CHARGES: Three counts of money laundering, two of extortion and one each of bribery and conspiracy.

THE CONSPIRACY: Federal prosecutors say Anderson participated in a scheme in which he agreed to do the bidding of the private prison firm Cornell Cos. in exchange for money.

THE CO-CONSPIRATOR: Lobbyist Bill Bobrick pleaded guilty in May to a single count of conspiracy. He set up a company reportedly to produce a political Web site for which Anderson would write. Prosecutors say it was a sham used to funnel payments to Anderson.

THE TRIAL SO FAR: The prosecution has finished with three witnesses. The main witness was Frank Prewitt, Alaska corrections commissioner in the 1990s and then a Cornell consultant. Working undercover for the FBI, he made about a dozen audio and video recordings involving Bobrick, Anderson or both. He testified that Anderson knew he was being paid to do what Cornell wanted.

COMING UP: Bobrick started testifying late Monday and continues today.

THE DEFENSE: Defense lawyer Paul Stockler hasn't yet put on his case, but he spent hours cross-examining Prewitt. His defense appears to be that the FBI entrapped Anderson, and that the actions Anderson took for Cornell were the kinds of things that legislators do. He portrays Anderson as an eager-to-please legislator who wasn't the one who kept talking about money.
Photo 1: Bobrick01_070307.jpg

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FBI - Stevens-911

NewsBank inc Access World News

Paper: Anchorage Daily News (AK)
Title: Anderson case likely to get to jury today -
DEFENSE: Lawyers say ex-lawmaker was duped by FBI; he doesn't testify.
Date: July 6, 2007

On June 13, 2005, an FBI agent left a message on then-state Rep. Tom **Anderson**'s cell phone asking for his views on an upcoming federal appointment because he had been such a friend of law enforcement in the past.

But when **Anderson** showed up at the FBI building in downtown Anchorage the next day, he discovered that was just a ploy. He was the target of an undercover FBI investigation.

Huge blown-up pictures from a five-hour-long Prince William Sound sailing trip on the boat of Cornell Cos. consultant Frank Prewitt were on the wall. Agents played secretly made recordings of his conversations with Prewitt and lobbyist Bill Bobrick.

The agents wanted to get **Anderson** to cooperate in its ongoing corruption investigation. And for a time he did, prosecutors said.

The defense in **Anderson**'s corruption trial wrapped up Thursday after five quick witnesses. The case is expected to go to the jury today after closing arguments. **Anderson** is charged with seven federal felonies, including bribery, extortion and money laundering.

Defense lawyer Paul Stockler maintained that **Anderson** never took any legislative actions for money. He tried to portray **Anderson** as a man who had no inclination to do anything shady but was lured in to doing questionable things by the FBI.

Anderson didn't take the stand. After court ended for the day on Thursday, **Anderson** said he trusted Stockler's judgment in directing his defense. With the case about to go to the jury, he said he felt anxious but didn't want to say much.

Earlier in the trial, Bobrick testified that he created a business that was supposed to produce a Web site about Alaska politics. But he told jurors that it ultimately became a sham used to funnel illegal payments from Prewitt to **Anderson**. Prosecutors assert that the money was used to get the legislator to do Cornell's bidding on halfway houses, a juvenile treatment center and a private prison. Though **Anderson** was supposed to have produced material for the Web site, witnesses have testified that he never did.

Bobrick has pleaded guilty and Prewitt worked undercover for the FBI, making recordings "as a cooperating witness."

Both sides suffered setbacks on Thursday. Two witnesses for **Anderson** weren't allowed to testify that he had approached them about the Web site.

And prosecutors lost their effort to bar an entrapment defense. Prosecutor Nick Marsh said they were never put on notice about it and there's no evidence **Anderson** was lured in.

But U.S. District Judge John Sedwick said, "It takes very little evidence to entitle a defendant to an entrapment defense." The judge said if he didn't allow it, and **Anderson** were convicted, he might appeal on grounds that he had "ineffective assistance of counsel."

Stockler said he didn't bring entrapment up earlier because he learned more about it during the trial, in particular how the FBI was steering the conversations and interactions Prewitt and others were having with **Anderson**.

AGENT TESTIFIES

One of the defense witnesses was the FBI case agent, Mary Beth Kepner, who has sat beside prosecutors throughout the trial. No FBI agents testified for the government.

With jurors out of the room, Stockler told Sedwick that he expected Kepner to say that the FBI told **Anderson** in that June 2005 meeting to stop working on the Web site. That would explain why **Anderson** hadn't written articles or done other demonstrable work in exchange for the $25,838 witnesses said was paid to him.

But that's not what Kepner told jurors a few minutes later.

When asked by Stockler, Kepner testified that the FBI didn't tell **Anderson** to stop working on the site.

Why the ruse to get **Anderson** to meet with the FBI at that June meeting? prosecutor Marsh asked Kepner.

The FBI wanted to gain **Anderson**'s cooperation in its ongoing corruption investigation and didn't want to blow its "covert status,"

Kepner told the jury.

Stockler also wanted to question Kepner about secret recordings that were not used by the prosecution, to show that they contained no evidence that **Anderson** was corrupt.

But, with the jury out of the room, the judge said that would be like someone going into a 7-Eleven store hundreds of times and only robbing it once -- all that matters at trial is whether the robbery happened.

"The government isn't on trial," Sedwick told Stockler.

The defense lawyer disagreed. The worst thing **Anderson** did was ask for consulting work, he said.

CLIENTS SUPPORT **ANDERSON**

Stockler called two of **Anderson**'s former consulting clients on Thursday, asking them whether he voted their way in the Legislature after they paid him for consulting work.

No, said Bernadette Bradley, owner of The Bradley House restaurant and bar in South Anchorage and president of the hospitality trade group Anchorage Cabaret, Hotel, Restaurant and Retailers Association, or Anchorage CHARR.

In fact, she testified that **Anderson** -- the group's executive director before he took office and a sometimes consultant while in the Legislature -- voted against the group's interests a number of times. For instance, he supported legislation lowering the legal limit of blood alcohol content for driving.

The answer was not as clear cut regarding the Alaska Telephone Association, which paid **Anderson** $20,000 in 2003, mainly with the hope that he'd end up better educated on telephone issues, according to James Rowe, the organization's executive director. **Anderson** and the association both ended up supporting the same bill raising fees charged for 911 services. The association was glad the increase wasn't even higher, Rowe testified.

Also testifiying for **Anderson**: his legislative aide Josh Applebee, who worked on the Web site, and state Rep. Bob Roses, who replaced him in the Legislature.

In early 2005, Applebee was **Anderson**'s chief of staff. He said he worked after hours to identify contacts in communities all around Alaska who might write stories for the site. By March, he needed direction from **Anderson** on how to proceed. That never happened, he acknowledged.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

ANDERSON TRIAL: For more coverage, including past stories, his indictment and court motions, and audio excerpts of the opening statements, visit

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Caption:
Anderson
Caption:
Photo 1: **Anderson**.1_070607.jpg

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Author: LISA DEMER ldemer@adn.com Staff
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Page: A1
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FBI - Stevens-913

NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Anderson jury ends first day; no verdict -
CORRUPTION TRIAL: Jurors will return Monday to resume deliberations.
Date: July 7, 2007

A federal jury of eight women and four men spent Friday afternoon deliberating whether former state Rep. Tom **Anderson** took bribes, then concealed the money from the public, other legislators, state officials and even those closest to him.

They didn't reach a verdict and will be back in the jury room on Monday. The corruption case went to jurors around noon Friday, the trial's ninth day.

Anderson faces seven federal felonies including bribery, extortion and money laundering. He is accused of accepting payments to do private prison firm Cornell Co.'s bidding.

If he is convicted, he faces prison time and steep fines.

As a group, the jurors look relatively young. They are mainly longtime Alaskans. One attended Dimond High School with **Anderson**'s wife, state Sen. Lesil McGuire. Several work with numbers: a payroll accountant, an insurance claims adjuster, a business manager. There's also a custodian, a Wal-Mart department manager, a pipeline technician.

During the trial, lobbyist Bill Bobrick testified for the government that he set up a Web business that was supposed to be about Alaska politics but ultimately was used as a way to funnel money to **Anderson**.

Nearly $24,000 went to **Anderson** through Bobrick from a Cornell consultant, who was working undercover for the government. The consultant, Frank Prewitt, testified that he gave **Anderson** another $2,000 directly. The Web site never got off the ground.

The FBI provided the money for the payments and Cornell didn't know about the scheme.

On Friday, lawyers on both sides gave impassioned closing arguments in a courtroom crowded with spectators including FBI agents, other attorneys, and friends and family of **Anderson**.

McGuire sat in the front row, as she has throughout the trial. **Anderson**'s mother was there too. His father, a former director of Alaska State Troopers, didn't attend. **Anderson** said his dad is busy building a home in Wasilla but wanted to come.

PROSECUTOR: ANDERSON SOLD INFLUENCE

Prosecutor Nick Marsh, who is with the public integrity section of the U.S. Justice Department out of Washington, D.C., told jurors **Anderson** knew exactly what he was doing when he agreed to use his influence as a legislator on behalf of Cornell.

"It's for official acts. It's money for being a legislator," Marsh said.

But defense lawyer Paul Stockler argued that **Anderson** was not selling his votes. He was philosophically aligned with Cornell on issues already, Stockler said. His consulting work was "legitimate work for legitimate pay," the defense lawyer said.

Stockler tried to portray Prewitt as a government agent who lured **Anderson** into the scheme when he otherwise wouldn't have been inclined to do so.

FBI - Stevens-914

"He's trying to get it to be something illegal," Stockler said.

Prosecutors told jurors that they just need to listen to **Anderson**'s own words to know he is guilty.

During his argument, which lasted more than an hour, Marsh replayed highlights from secret recordings involving **Anderson** and others that the jurors already were well acquainted with from the trial.

Marsh showed jurors video snippets of **Anderson** laughing with Prewitt about the Web site during an Aug. 17, 2004, meeting at the Whale's Tale at the Hotel Captain Cook.

Anderson told Prewitt he knew that the payments weren't really for Cornell banner ads on the Web site.

"Quit the bulls--- on the banner thing," **Anderson** is heard telling Prewitt.

"Does it look to you like Frank Prewitt is twisting Tom **Anderson**'s arm here? " Marsh asked jurors, pointing to a frozen video image of **Anderson** smiling.

In a Nov. 16, 2004, meeting with Prewitt in his legislative office, **Anderson** complained that Bobrick was taking too big of a cut and that he didn't want to split the final payment, according to a recording replayed Friday.

Prewitt told **Anderson** he didn't need Bobrick's help within the Legislature -- **Anderson** was positioned for that.

At that point, Marsh said, **Anderson** could have jumped up and asked Prewitt what he was talking about.

"That's not what he says. He says 'I know. I know. Exactly,' " Marsh said.

During the same conversation, **Anderson** notes that he could quit the Legislature and go to work directly for Cornell. "But no, you don't want that. You want votes in the Legislature, I would assume," he says in the recording.

Marsh warned jurors not to be swayed by a smoke-and-mirrors defense. He displayed lists of **Anderson**'s actions and comments on a screen for jurors: "The Money Was Not for the Web Site." "Tom **Anderson** Ties Official Acts to Money." "Acts of Concealment."

Prosecutors zeroed in on the fact **Anderson** didn't even want McGuire, who at the time was a state representative and his romantic partner, to know where the money was coming from.

"She'd say 'what, are you crazy?' " prosecutor Joe Bottini told jurors. "... The reason he doesn't do it is that he knows this stinks."

WHAT GOVERNMENT DIDN'T SAY

Prewitt, one of the government's main witnesses, recorded the conversations. He was under investigation for possibly illegal activities when he agreed to go undercover for the FBI in spring 2004 to help in its ongoing corruption investigation of Alaska legislators.

Stockler put the focus on Prewitt and Bobrick, who has pleaded guilty to conspiracy but hasn't been sentenced. The defense says they both turned on **Anderson** to save themselves.

The FBI only started looking at **Anderson** in the summer of 2004 when it heard he was looking for consulting work, Stockler said.

"That's scary," he told jurors. No one is free from that kind of scrutiny, he said.

"For two and a half years, they taped Tom **Anderson**, and you heard the few snippets the government has of him saying things either stupid or a little bit out of context," Stockler said.

He reminded jurors what **Anderson** told Prewitt in their first meeting on July 24, 2004: "You have my support there and it is out of principle, nothing to do with whether we come to agreement or not, which is nice."

Prosecutors didn't want jurors to know the real Tom **Anderson**, Stockler told them. He referred to a recording of an April 18, 2004, telephone conversation in which **Anderson** agreed to help Cornell, and there's no talk of paying him to do so. That occurred before Bobrick came up with his Web scheme, and prosecutors didn't play it for the jury.

"It's not so much what the government said. It's what they didn't say," Stockler said.

The Web site was a real project that only fell apart in June 2005 when the FBI confronted **Anderson** with its evidence to get him to cooperate in its investigation, Stockler said.

"They've already destroyed the man's political career," Stockler said. "Now we are talking about the rest of his life."

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FBI - Stevens-915

NEWS BY E-MAIL: Have the **Anderson** verdict e-mailed to you immediately by signing up for our breaking news alerts at

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Caption:
AL GRILLO / The Associated Press

Former Alaska state Rep. Tom **Anderson**, left, and attorney Paul Stockler leave the federal court building Friday.

Caption:
Photo 1: 7anderson_070707.jpg

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Author: LISA DEMER ldemer@adn.com Staff
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FBI - Stevens-916

NewsBank inc Access World News

Paper: Anchorage Daily News (AK)
Title: Forecast for Young, Stevens clouds up -
CONGRESSMEN: Increasing national scrutiny makes pair take notice of political winds.
Date: July 9, 2007

They are, by their own admissions, feisty and cranky, with tempers that underpin their reputations as old-school -- yet effective -- members of Congress. They have more than 70 years of service on Capitol Hill between them and aren't ready to call it quits.

But Alaska Sen. Ted Stevens, 83, and Rep. Don **Young**, 74, have also found themselves under increasing national scrutiny while their Republican party -- which staunchly supports them -- tries to mount a comeback to regain majority status in Congress.

The two men are being pushed on legal and ethical grounds for various cozy relationships with influential businessmen.

Yet neither plans to soften the tone or approach that enabled them to direct millions of federal dollars to Alaska.

Both are seeking another term next year, undaunted by the growing scrutiny and with hopes the Republicans will be back in power.

"People don't understand; if you don't establish yourself as the biggest dog in the yard, you're going to be chased out," **Young** said. "No one has been able to do that to me."

Political analysts say **Young** -- Alaska's lone representative since a special election in 1973 -- may be the most vulnerable right now, but Stevens could be in for the toughest time yet in his political career heading toward the 2008 election.

LONG-SERVING SENATOR

Stevens is facing scrutiny from federal investigators for a home remodeling project, an investigation that dovetailed with a corruption investigation into state officials.

Meanwhile, his son Ben, a former Alaska Senate president, was one of six state lawmakers who had their offices raided by the FBI last year. He has not been charged and has denied any wrongdoing.

Ted Stevens, a former prosecutor, said his attorneys have advised him not to discuss the investigation.

However, Stevens did say that he's not taking the investigation lightly, especially if it gains momentum.

"The worst thing about this investigation is that it does change your life in terms of employment potential," said Stevens, the longest serving Republican in Senate history who was appointed in 1968. "It doesn't matter what anyone says, it does shake you up. If this is still hanging around a year from November, it could cause me some trouble."

But so far, Stevens seems to be thriving on the setbacks. He was recently credited for helping broker a compromise on the Senate's energy bill.

"I think all this has increased my focus on doing my job," he said. "I'm working to get this concept out of my mind that someone is trying to make something illegal out of all this. That's what's really disturbing."

'EARMARKS ARE GOOD'

Meanwhile, criticisms launched at **Young** have come piecemeal over the last several years. He was connected to the scandal surrounding lobbyist Jack Abramoff when one of his former aides pleaded guilty to accepting gifts in exchange for official acts on the lobbyist's behalf.

He has also taken heat for earmarks, money awarded for specific projects. **Young** most notably gained national attention for securing $200 million for a bridge project linking the southeast Alaska community of Ketchikan to its airport on Gravina, a nearby island, which became known as the "Bridge to Nowhere."

More recently, **Young** -- the former chairman of the House Transportation Committee -- is taking heat for directing money to a Florida road project study. The money was not sought by the district's Republican congressman but would benefit a major contributor to **Young**'s campaign.

"When you are chairman of a committee, you represent the whole nation; you don't represent one district, which is in my case is one

state," Young said. "Earmarks are good for the country and good for the people you represent.

"That is the role of a congressman. If you can't get money for your district, you shouldn't be in Congress," he said.

The Democratic Congressional Campaign Committee put **Young** on notice that it will provide logistical and financial support to a strong party challenger. So far, his only challenger is Diane Benson, whom **Young** defeated for re-election in 2006.

"They are welcome to try," **Young** said. "I know that I'm the one they would like to eliminate. It doesn't bother me as long as I run a good campaign and do what's right for this state."

The first punch has already been thrown. The Democratic committee recently launched a radio ad criticizing **Young**'s commitment to providing benefits to troops in Iraq and Afghanistan.

Committee spokesman Fernando Cuevas says the party nationally believes the old guard needs to step down, especially in Alaska where one current and three former state lawmakers face federal bribery and extortion charges.

"People are tired of seeing politicians in this light, from the state legislature to this," Cuevas said. "People are tired of the spin. That style is done. You are seeing politicians at a different standard."

DEMOCRATS SMELL BLOOD

Alaska Republican Party chairman Randy Ruedrich is not worried about the fate of his party's two warhorses. He said enough Alaskans will remember how Stevens and **Young** have helped the state grow, and not just the major cities, but the rural areas as well.

"Their work is what made good drinking water available to our rural system," Ruedrich said.

"They made life in many villages and small towns 20th century living rather than a honey bucket world," he said of the plastic buckets still used by some Alaskans without running water in their homes.

Ruedrich said he welcomes a challenge from Democrats who couldn't unseat U.S. Sen. Lisa Murkowski, who was appointed by her father to his seat when Frank Murkowski was elected governor in 2004.

But even as Democrats start to smell blood, political analysts say none of the troubles for Stevens or **Young** is enough to knock them off their perch just yet.

"Those two have been drilling for oil in Washington for a long time and they struck it rich," said David King, political science professor at Harvard University's John F. Kennedy School of Government.

"They are making sure they bring home the bacon to Alaska," he said. "Ideology and style don't matter as much as bringing money back home. That culture in Washington hasn't changed much at all."

Caption:
AL GRILLO / Associated Press archive 2004

Sen. Ted Stevens, right, stands with Sen. Lisa Murkowski and Rep. Don **Young** at a news conference in Anchorage in 2004. Stevens and **Young** have found themselves under increasing national scrutiny while their Republican party tries to mount a comeback to regain majority status in Congress.

Caption:
Photo 1: 9Alaska-Warhorses_070907.jpg

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FBI - Stevens-918

NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Anderson guilty on all counts -
Jury convinced the ex-legislator was paid for his political favors
Date: July 10, 2007

Federal jurors said they relied on former state Rep. Tom Anderson's own words to convict him Monday of conspiracy, bribery and other charges related to political corruption.

Eleven jurors returned seven guilty verdicts around 1:30 p.m., finding Anderson, 39, guilty of all charges against him.

Witnesses testified Anderson took money to do the bidding of a private prison firm. In all, Anderson received $25,838 in 2004 and 2005, witnesses said. The money was supplied by the FBI through Frank Prewitt, a consultant for Cornell Cos., who secretly recorded his conversations with Anderson and a co-conspirator, former lobbyist Bill Bobrick.

Juror No. 9 was dismissed Monday after a closed hearing for reasons that weren't explained. Both sides agreed to go forward with fewer than 12.

Jurors at first were torn over whether Anderson had been entrapped by the government, said several reached after the verdict.

Jury forewoman Wendy Gilbert of Valdez said the key evidence came from a July 28, 2004, recording of a conversation between Anderson, Prewitt and Bobrick -- the first after the conspiracy began, according to the government.

Jurors asked for it to be replayed on Monday and found that Anderson had an idea what was expected of him from the start.

"They started talking about what he could do for Cornell," juror Travis Gardner of Chugiak said. And when Anderson was asked about his credentials, Gardner said, the first thing he said was that he's a legislator.

It didn't matter if Anderson would have taken the same actions anyway, such as getting on key budget committees, because he accepted money for it, said Gardner, 23.

Another juror said she felt prosecutors presented a "substantial amount of evidence."

Asked what was key in their decision, juror Marie Gieryic of Eagle River replied in an e-mail:

"In particular, the jury seemed to give the recorded conversations of Anderson and others considerable weight. From these conversations and other evidence presented at trial it became clear that Anderson understood he was taking part in illegal activities," Gieryic wrote.

The verdict should help "reinject ethics" into the Legislature, she wrote.

"By its verdict today, the jury aimed to send a strong message to Anderson and other legislators that there is a significant price to pay for abusing the public's trust in this manner," she wrote. Legislators need to think twice before they sell out.

Anderson and his attorney seemed stunned by the verdict. When the jury left the room, Anderson uttered a weary sigh.

"I'm devastated," he said. He said he'd appeal.

"The prosecution has criminalized being a legislator over this past year. And I think I fell victim to that," Anderson said.

Anderson's attorney, Paul Stockler, who doesn't do appeal work, said Anderson will need to think over what to do next after consulting with his wife, state Sen. Lesil McGuire, and a circle of advisers.

"I'm speechless right now," Stockler said. "But when you go up against the government, you risk losing." Anderson never tied the payment of money to any official acts as a legislator, Stockler said. "He was always willing to help, and it had nothing to do with money."

For the reading of the verdict, the courtroom quickly filled with FBI agents, prosecutors and staff members.

McGuire wasn't there. She and other friends and family came to the trial but couldn't get to the federal building in downtown Anchorage in time after jurors announced they had reached a verdict, Anderson said.

McGuire was not accused of wrongdoing. In fact, prosecutors used the fact that Anderson hid the payments from her as further evidence of a shady deal.

With seven counts and an entrapment defense, the case was particularly complex, said Gilbert, the jury forewoman.

"There's a lot on the line and a lot on your shoulders, and you want to make sure you do the right thing," said Gilbert, a pipeline lab technician and mother of three.

But in the end, jurors concluded Anderson had not been lured to commit crimes by a government agent. He was not "entrapped."

The public corruption case against Anderson provided the first real test for the FBI and prosecutors in their on-going investigation of Alaska state legislators. Three other politicians are awaiting trial, though the schemes alleged in those cases are different. Those cases involve allegations of bribes paid by executives with oil field services contractor Veco.

Lawyers for indicted former Reps. Bruce Weyhrauch and Pete Kott, whose trial is set for Sept. 5, said the guilty verdict won't have any impact on their strategy because the facts are so different.

State Rep. Vic Kohring, whose trial is set for Oct. 22 and who is stepping down from his post next week, said he was saddened for Anderson but that his own resolve to fight the charges had not waned.

Nick Marsh and Joe Bottini prosecuted the case against Anderson. They didn't comment on the verdict, nor did the FBI in Alaska. The only government statement came out of Washington, D.C.

"Anderson has been held accountable for his crimes thanks to the hard work of federal prosecutors and FBI agents, and the Department of Justice will continue its pursuit of public corruption at all levels of government," U.S. Assistant Attorney General Alice S. Fisher said in a written statement.

One of the government's main witnesses was former lobbyist Bobrick. Juror Gardner said the panel didn't find Bobrick that believable. Bobrick pleaded guilty in May to conspiracy in the scheme and agreed to cooperate with the government in the hope of getting a lighter sentence.

Bobrick told jurors about a series of checks he wrote to Anderson or his consulting business that went far beyond the initial payments revealed before the trial: $3,000 on Feb. 14, 2005, $1,500 on Feb. 25, 2005, and more, on into June 2005. In all, Bobrick passed nearly $24,000 through to Anderson, and Prewitt gave him another $2,000 directly, according to their testimony.

Bobrick testified he had an idea for a political Web site that he had hoped would become a real business with Anderson, but it never did. Anderson was paid "for being a legislator," Bobrick told jurors.

But, as jurors indicated, Anderson's own words were most damaging.

On a Nov. 16, 2004, recording of a meeting in his Anchorage legislative office, Anderson brought up money and told Prewitt he didn't want to split the next payment with Bobrick.

Anderson served in the state House from 2003 to this year. He didn't run in 2006.

U.S. District Court Judge John Sedwick set sentencing for Oct. 2.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

CORRUPTION: For more coverage on the Anderson corruption trial, including past stories, his indictment and court motions, and audio excerpts of the opening statements, visit

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FBI - Stevens-920

Caption:
ERIK HILL / Anchorage Daily News

Former state Rep. Tom Anderson, center left, and his attorney, Paul Stockler, leave the federal building Monday after a jury convicted Anderson of conspiracy and bribery. Anderson, 39, was found guilty of all seven charges against him, including conspiracy to commit extortion, bribery and money laundering. "I'm devastated," Anderson said. "The prosecution has criminalized being a legislator over this past year. And I think I fell victim to that."
Caption:
Photo 1: Quote marks_123169.psd

Photo 2: VerdictAnderson_020 -14_123169.jpg

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Author: LISA DEMER ldemer@adn.com Staff
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FBI - Stevens-921

NewsBank inc Access World News

Paper: Anchorage Daily News (AK)
Title: More corruption cases on deck -
REST OF YEAR: Three ex-lawmakers will stand trial; feds might look at Stevenses.
Date: July 10, 2007

With former state Rep. Tom Anderson's conviction on all counts, the focus of the Alaska corruption investigation now shifts to two other pending trials involving three former legislators, and to the ongoing federal inquiry.

Former House Speaker Pete Kott, a Republican who represented Eagle River, and former Rep. Bruce Weyhrauch, a Juneau Republican, are scheduled to stand trial in Anchorage Sept. 5. They are charged with bribery, extortion, conspiracy and fraud in a scheme to sell their votes, including support for a change in taxes favored by the petroleum industry, to the oil-field service company Veco.

Former Wasilla Rep. Vic Kohring, also a Republican, faces four counts of bribery, extortion and conspiracy and is scheduled to be tried Oct. 22. He's also accused of selling his vote to Veco and its pro-oil industry policies.

Also pending are sentencing hearings for Anderson, scheduled Oct. 2, and for the three people who have confessed to bribing legislators: former Veco chief executive Bill Allen; Veco's former vice president for government affairs Rick Smith; and lobbyist Bill Bobrick. All three have pleaded guilty and are cooperating with federal authorities. Their sentencing dates have not been set.

The FBI and prosecutors will not describe the scope of their ongoing investigation or where they expect it to lead. But hints have surfaced from people who have testified before federal grand juries in Anchorage and Washington, D.C., and from references in court documents and search warrants.

Former Alaska Senate President Ben Stevens, an Anchorage Republican referenced in Allen's plea deal as the recipient of more than $240,000 in illegal payments from Veco, has not been charged and has denied wrongdoing.

His father, U.S. Sen. Ted Stevens, R-Alaska, is being investigated for the 2000 remodeling of his home in Girdwood that was managed by Veco. Stevens has hired one of the most high-profile defense attorneys in Washington, Brendan Sullivan, who represented Oliver North in the Iran-Contra scandal. Stevens won't comment on the investigation.

In addition to Ben Stevens, the offices of at least two other legislators -- Republican Sen. John Cowdery of Anchorage and Democratic Sen. Donny Olson of Nome -- were searched by federal agents in August, but the two have not been charged.

A number of companies and individuals connected with the North Pacific commercial fishing industry in Alaska and Seattle were served with federal grand jury subpoenas demanding information about their ties to several people and organizations, including Ben Stevens, who has worked as a fisheries consultant.

INSIDE

ETHICS: Gov. Palin signs into law a reform package minutes after Anderson's conviction.

Alaska, Page B-1
Caption:
Lobbyist Bill Bobrick pleaded guilty to bribery.
Caption:
Photo 1: Quote marks_123169.psd

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Photo 2: BobrickMug_123169.jpg

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194A-AN-13620-M;433

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Paper: Anchorage Daily News (AK)
Title: Palin signs ethics reforms -
Law closes loopholes, stipulates bans as legislative cleanup begins
State Lawmakers to face new rules
Date: July 10, 2007

An ethics reform package for state officials was signed into law Monday by Gov. Sarah Palin, just minutes after a former state representative was convicted on seven federal counts of extortion and bribery.

Palin said the law will help re-establish trust between the public and elected officials by improving on existing statutes. The conviction of former Rep. Tom Anderson, an Anchorage Republican, makes the law more necessary than ever, she said.

"I believe it could be a precursor for what's to come, and it's unfortunate," she said. "This bill is a good start to getting the comprehensive ethics reform that we need here in Alaska."

Three more current or former Alaska lawmakers face corruption trials this fall. The former top two officers of Veco Corp., an Anchorage oil field services company, have pleaded guilty to bribing lawmakers.

Ethics reform had been a recurring theme throughout Palin's election campaign, and she pushed hard for the bill to become a bipartisan effort in the Legislature this session. She said she remains determined to clean up Alaska politics.

State Sen. Hollis French, D-Anchorage, said the law closes several loopholes and includes a ban on outside compensation for official acts. It also bans legislators from accepting campaign contributions as bribes.

"It's my further hope that by signing this bill we will close a shameful chapter in Alaska's history," French said during the signing of the bill at the Alaska Public Offices Commission in Anchorage.

French said the law sends a message to Alaskans that lawmakers are serious about acknowledging and correcting the problem, even if the law might not affect anyone's illegal activities.

"You can't write a bill that's going to make a dishonest person honest," he said.

French said some legislators had first proposed banning all consulting contracts, but that idea didn't survive. But he said the disclosure laws will be more strict next year, which could mean an unwelcome surprise for some legislators.

"There's probably going to be some chafing at the bit, if you will, when that comes about," he said.

While Palin and several lawmakers at the signing said they expected further refinements to the law to become necessary as its flaws become apparent, some cautioned against a knee-jerk reaction in the wake of Anderson's conviction.

"Let's not be reactive to what happened today," said Rep. Jay Ramras, R-Fairbanks. "I think we do better when we're deliberate, thoughtful and patient."

Rep. Bob Roses, R-Anchorage, who succeeded Anderson in the Legislature when Anderson didn't seek re-election in 2006, said the law didn't go far enough. Campaign contributions should be available for immediate public scrutiny, he said, and all contributions should be reported, even those below the current $1,000 threshold.

"Quite frankly, I thought some of the things should have been a little tighter than what they were, but this is a first step," he said.

The law also requires lobbyists to report to APOC any food or drink they buy for a legislator that costs more than $15 -- an unpopular stipulation among restaurant owners, particularly those in Juneau -- and it prohibits them from accepting gifts worth more than $250 from the same person within a year, excluding food and tickets to charitable events.

The law also will prohibit people from registering as lobbyists if they have been convicted of a felony involving a moral wrong.

Reform gained momentum after FBI agents investigating corruption charges served search warrants on the offices of six legislators last August.

Rep. Vic Kohring, R-Wasilla, is resigning his House seat July 19 so he can defend himself against federal bribery and extortion charges related to his alleged dealings with Veco Corp.

FBI - Stevens-923

194A-AN-13620-M;434

Federal prosecutors also have charged former Republican Reps. Pete Kott and Bruce Weyhrauch of selling their votes to the company. All the legislators have pleaded not guilty.

MORE ONLINE: For past legislative stories, go to

adn.com/legislature
Caption:
FRAN DURNER / Anchorage Daily News

Gov. Sarah Palin signs House Bill 109 on Monday at the Alaska Public Offices Commission office in Anchorage. In attendance are, from left, Rep. Max Gruenberg, D-Anchorage; Rep. Bob Lynn, R-Anchorage; Sen Hollis French, D-Anchorage; and Brooke Miles, executive director of APOC.
Caption:
Photo 1: AK Legislature CMYK_071007.psd

Photo 2: Ethics01_071007.jpg

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Paper: Anchorage Daily News (AK)
Title: With Bobrick out, opportunity arises for other lobbyists -
BIG MONEY: Void opens after former go-to guy pleads guilty to conspiracy in corruption case.
Date: July 13, 2007

Until this year, Bill Bobrick was the busiest lobbyist in the city.

A former director of the state Democratic party and friend of the mayor, he represented about three dozen different clients over the past five years, according to public records.

Suddenly, the go-to guy on city issues is out of the game.

His clients have disappeared. He's pleaded guilty to conspiracy in a federal corruption case and the Anchorage Assembly slammed the door behind him, passing new rules that ban anyone with a felony record from registering to lobby the city.

So, if you're well-connected, don't mind hours of meetings about zoning rules and can navigate the maze of bureaucracy: Help wanted.

Two candidates for **Bobrick**'s former title have emerged in his wake -- one an ad agency owner and the other a former lobbyist who until recently worked for the city -- although neither has as many clients as **Bobrick** regularly served.

"There's a void right now," said Marc Hellenthal, an Anchorage pollster and political consultant who worked for Republican candidates in this year's Assembly races.

"This is a career opportunity for somebody out there," he said.

But what kind of career is it exactly?

Assemblyman Dick Traini said lobbying the city is like being a pitchman.

"They're not really selling a tangible product, they're trying to sell an idea. And they're trying to get enough of the 11 people (on the Assembly) and the mayor that they can get it brought forward."

Jim Lottsfeldt, who owns an ad agency, registered to represent three clients before the Assembly this year.

"Government sometimes is hard to understand or hard to work with," he said, "And so you bring in specialists to help. Same reason you hire architects and engineers."

Lottsfeldt said lobbying the Assembly is different than lobbying the Legislature in Juneau because in Anchorage, Assembly members are going about their regular lives. They aren't living away from home in the rarefied atmosphere of the Capitol. Here, there's less wining and dining, he said.

Still, a successful lobbyist knows the local players by their first names.

"A lot of **Bobrick**'s success simply was that he was politically connected," said David Dittman, a local pollster and consultant who works mainly for Republicans.

Bobrick ran the state Democratic party in the early 1990s. He donated at least $1,000 to the campaigns of Assembly members Allan Tesche, Dan Sullivan, Dan Coffey, Traini and Mayor Mark Begich.

Begich was the best man at **Bobrick**'s wedding in 1998 and the two have known each other for decades. Thursday, Begich said he never pushed anyone to hire **Bobrick**. In fact, people don't really need a lobbyist to do business with the city, he said.

"That's just bull. People want to come meet with me, they can walk through the door. If they want to go down to the Assembly, they can just show up."

Bobrick's conspiracy conviction involved passing bribes to former Anchorage Rep. Tom Anderson. On the witness stand, he said over and over that he regretted his actions.

The crime had nothing to do with city officials, he said in an interview Thursday.

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194A-AN-13620-M; 435

"As someone that's lobbied for over 20 years, I've represented clients in front of (former mayors) Tom Fink, Rick Mystrom, George Wuerch and the current mayor, and countless previous Assembly chairs and assemblymen and -women," he said. "And the crime that I pled guilty to has nothing to do with any assemblyman, assemblyperson, or mayor, past present or future. It only involved Tom Anderson."

'GOOD OLD CAPITALISM'

Lobbying is about relationships, said Lottsfeldt, who also works on state issues.

"It's relationships and the same thing in Juneau ... understanding how government works and how to navigate within government."

Lottsfeldt has signed on with an old **Bobrick** client, mall developer P. O'B Montgomery, one of five companies that cut ties with **Bobrick** after he got in trouble.

Lottsfeldt said the company called him, and that he hasn't chased **Bobrick**'s other clients.

Lottsfeldt said he got into city lobbying because he saw a way to earn some money. "Just good old capitalism."

Another new lobbyist moving in **Bobrick**'s wake will be a familiar face for city officials: Kevin Bruce.

Until March, Bruce worked for the Port of Anchorage, which is a city job. He said he won't be able to lobby on port-related projects, but represents Alaska Pacific Environmental Services, developer JL Properties -- both **Bobrick** clients at one time -- and BP Exploration.

Bruce is a former owner and founder of the public relations firm Northwest Strategies and has worked as a lobbyist before. But the job has changed in the past year, he said.

In December, the Assembly approved new ethics rules that ban lobbyists or their immediate families from donating to the political campaigns of city candidates, or helping those candidates raise money.

"You can't even support the people you like," he said.

Bruce earned a salary of roughly $87,600 working for the port, according to city records.

During the Anderson trial, **Bobrick** said he made up to $200,000 a year lobbying the Assembly.

That was news, even to local political junkies. Although the state requires lobbyists to report how much clients pay them, the city does not, even in the much-touted new ethics rules.

Bruce and Lottsfeldt wouldn't say this week how much they're being paid for their new work.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

Caption:
Bobrick
Caption:
Photo 1: 13bobrick_071307.jpg

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FBI - Stevens-926

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Paper: Anchorage Daily News (AK)
Title: Palin wants independent legislator -
KOHRING'S SEAT: She prefers someone who will stand up to pressure.
Date: July 13, 2007

While Matanuska Susitna area Republicans winnow down a list of replacements for a departing Wasilla legislator, Gov. Sarah Palin said she is looking for someone who won't be pressured to toe the party line.

Palin said she wholeheartedly agreed with a letter she received Thursday from Rep. Les Gara, D-Anchorage, who asked that she talk to candidates about their ability to stand firm under pressure.

"We have to change the culture in state government and we have to get away from politics as usual when politics as usual has allowed Alaska to arrive at the point it is today," said Palin.

At stake is the District 14 seat held by Rep. Vic **Kohring**. The seven-term Republican, who faces federal charges of bribery and extortion, announced last month that he would leave his position July 19 in order to concentrate on his defense. **Kohring** maintains that he is innocent.

Seven valley Republicans have met the qualifications for the job, according to district officials who will narrow the list to three today and forward it to the governor.

In a letter to Palin this week, Gara asked the governor to discuss with candidates their willingness to buck the pressure to vote along party lines.

Gara said party line voting has resulted in bad decisions and harmed party members who have broken ranks in the past to vote their consciences.

It led lawmakers to pass a flawed oil tax in 2006, he said. That's an issue that could be the first on the new lawmaker's plate in a special session later this year.

"We have a pretty split Legislature between those of us who believe in a much stronger oil tax and those of us who support the law we have on the books right now," Gara said. "That appointment is probably going to be a swing vote on whether or not we stick with what I think is a very flawed oil tax."

House Speaker John Harris, R-Valdez, said caucus members are required to follow party lines only in the final budget vote and procedural motions.

Though many House members supported a tax on gross production over the net profits tax that passed, Harris said it was clear such a tax would not have passed the Senate or former Gov. Frank Murkowski's veto pen. The final vote for a net tax, which was along party lines, was a compromise, he said.

He said Gara's letter was political posturing from an industry critic.

"Nobody is required to vote any certain line on oil taxation. They can vote any way they want to vote. Les is using this as a political opportunity," Harris said.

Harris, however, supports a special session to review the Petroleum Profits Tax.

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And Palin said she wants lawmakers to weigh in once more and make clear their wishes on a tax that she said passed under a dark cloud. And she said **Kohring**'s replacement should demonstrate the knowledge, experience and integrity to make a good decision.

"I'm not going to make that candidate promise me anything except promise that they will fairly and objectively consider the situation we are in," she said.

Palin said a special session may be called for October or November if the state Department of Revenue can gather the information it needs to properly review the tax in time.

30 DAYS TO FILL SEAT

Meanwhile the governor has 30 days from **Kohring**'s July 19th resignation to choose a replacement. She may choose from the list

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forwarded by district officials or pick a district Republican of her own choosing. The candidate then must be confirmed by a majority of House Republicans.

District 14 Committee chairman Steve Colligan said at least 10 committee members will evaluate written and oral interviews with the candidates. They also will consider a public presentation by each candidate at an open meeting in Wasilla today.

The committee will score each candidate and announce the final three this evening.

"We are looking for folks with good conservative values, there's no doubt about that," said Colligan. "Part of being the best candidate is representing the constituents."

The seven candidates for the District 14 seat are Wes Keller, legislative staff member for Sen. Fred Dyson; Colleen Sullivan Leonard, governor's office staff, Wasilla Planning Commission member and former Wasilla City Council member; Darroll Hargraves, retired school superintendent; Steve Menard, governor's office staff and Wasilla City Council member; Pat Marley, Wasilla business owner; Greg Koskela, Wasilla business owner and Wasilla City Council member; and Dan Kelly, Mat-Su Borough Assembly.

Kohring and former state lawmakers Reps. Pete Kott and Bruce Weyhrauch were indicted last May on charges relating to alleged dealings with Anchorage-based oil field services company Veco Corp.

Two Veco executives, Bill Allen and Rick Smith, pleaded guilty to extortion and bribery.

In a separate case, a federal jury in Anchorage this week found former state Rep. Tom Anderson guilty of bribery and corruption.

Caption:
Vic **Kohring**'s would-be replacements will be cut from seven to three today.

Caption:
Photo 1: Vic **Kohring** CMYK_071307.jpg

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FBI - Stevens-928

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Paper: Anchorage Daily News (AK)
Title: Valley GOP produces short list -
KOHRING REPLACEMENT: Pool of three goes to governor.
Date: July 15, 2007

Mat-Su Republicans have chosen a short list of finalists to replace Rep. Vic **Kohring**, R-Wasilla, who plans to leave office this week.

Kohring, who faces federal bribery and extortion charges, says he is innocent. Local Republicans narrowed a pool of seven candidates for his job down to their top three choices Friday night. They are asking Gov. Sarah Palin to select among:

* Darroll Hargraves, a retired school district superintendent and former director of the Alaska Council of School Administrators. Hargraves also was a lobbyist for the council.

* Wes Keller, a legislative staff member for Sen. Fred Dyson, R-Eagle River.

* Colleen Sullivan-Leonard, a former Wasilla City Council member who works for the governor's office in the Mat-Su, and serves on the Wasilla Planning Commission. Sullivan-Leonard has run for **Kohring**'s seat before, and her husband, a former Wasilla city finance director, now works for the Palin administration as a deputy commissioner in the state Commerce Department.

"They each have their individual strengths," said Steve Colligan, chairman of the party's District 14 committee.

He said Palin could choose someone else entirely as long as that person is a registered Republican who has lived in the district since at least June 2005. A majority of House Republicans must confirm her pick to serve the remaining year of **Kohring**'s term.

Kohring's office was searched by federal agents in late August. He won re-election a little more than a month later with about 60 percent of the vote, defeating Democratic challenger Katie Hurley.

Kohring's district includes the city of Wasilla, and is about twice the size of the city limits, Colligan said.

Palin's spokeswoman couldn't be reached for comment Saturday. Colligan said, "My understanding is, Monday (Palin) will be considering, talking to the candidates."

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

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Paper: Anchorage Daily News (AK)
Title: Young shells out for lawyers -
$262,137: Campaign account is tapped for D.C. attorneys' advice.
Date: July 17, 2007

U.S. Rep. Don Young spent more than $262,137 from his campaign account to pay legal bills this year, according to his most recent filing with the Federal Election Commission.

Between March 10 and June 15, Young's congressional fundraising committee, Alaskans for Don Young, paid two Washington law firms to advise him. Young's report shows his campaign spent $242,306 with Akin, Gump, Strauss and Hauer, and another $19,831 went to Tobin, O'Connor, Ewing and Richard.

The FEC report does not detail what sort of legal work the campaign is paying for. Young's office in Washington referred all questions to his campaign manager in Anchorage, Steven Dougherty. Dougherty would not address how the campaign money was being spent, and said he had no comment "regarding the FEC report and the legal fees we've paid."

In April, Young's campaign acknowledged paying the Akin, Gump firm a $25,000 retainer in connection with campaign contributions from a Wisconsin trucking executive under indictment. At the time, Dougherty said, "With all the innuendo, accusations and words that have been out there, I just didn't think it was a bad decision to have some legal counsel and keep them on retainer for basic feedback and second opinion."

Young hired the legal team about the time that media in Milwaukee reported that the U.S. attorney's office there was looking into campaign contributions by businessman Dennis Troha. Troha reportedly benefited from new truck-hauling rules that Young helped pass in 2005 as part of a major transportation-spending bill.

Young, who received about $20,000 in campaign contributions from Troha, his family members and associates, has said he does not recall ever meeting the man. Nor did he know Troha would benefit from new rules Young favored, he said.

Troha was indicted last month on charges of using family members to illegally funnel more than $100,000 in campaign contributions to Wisconsin Gov. Jim Doyle and the state's Democratic Party.

Young also has been under scrutiny for sponsoring a $10 million road project that helped Florida real estate developer Daniel Aronoff, just days after Aronoff helped raise $40,000 for Young's re-election. A former aide to Young on the transportation committee, Mark Zachares, pleaded guilty in the Jack Abramoff bribery scandal.

Although some lawmakers faced with sizable legal bills establish separate defense funds, federal law allows them to spend the money they've amassed in their campaign finance accounts and it is not uncommon for them to spend it. The rules for using campaign contributions to pay legal bills are fairly broad, said Bob Biersack, a spokesman for the Federal Elections Commission. The only requirement is that the spending be related to legal bills connected to their role as an elected official.

"It's certainly acceptable whenever it applies to either activity related to the campaign or the responsibilities of the person as an office holder," Biersack said.

Young's campaign took in more than $111,356 in contributions this spring, according to the FEC report, bringing his account to $1.6 million.

Young's first quarter report from the beginning of 2007 shows that he spent the $25,000 with Akin, Gump, Strauss and Hauer in March, but previous filings don't suggest he has regularly tapped his campaign account to pay legal bills.

The newest report shows he paid $85,103 to the firm on April 18, $87,128.23 on May 22 and $70,075.04 on June 15. Smaller payments to the Tobin, O'Connor firm were also spread between April and June.

The most recent FEC filings, which were due at midnight Sunday, show that other high profile House members have tapped their campaign accounts to pay lawyers. They include former House Speaker Dennis Hastert, R-Illinois, who spent $59,884 on legal bills last quarter, according to Congressional Quarterly's PoliticalMoneyLine. And Friends of Mark Foley, the campaign committee for the disgraced former Florida representative, reported spending $277,357 on legal bills connected to the criminal investigation into the inappropriate e-mails he sent to underage pages.

WHAT DO YOU THINK? Does $262,137 in legal bills seem like a lot for a congressman? Does the fact that it was spent in less than six months affect your opinion? To share your reaction, visit

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Photo 1: DonYoung_071707.jpg

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Dateline: WASHINGTON
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FBI - Stevens-931

NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Deadline bumped again for Stevens -
FINANCIAL FILING: Ethics Committee wanted a few clarifications from senator.
Date: July 17, 2007

The Senate Ethics Committee has given Sen. Ted **Stevens** a second extension for filing his annual financial disclosure statement after it asked him to make "a few technical clarifications," the senator's spokesman said Monday.

Spokesman Aaron Saunders said he could not elaborate on what changes needed to be made and issued a brief written statement.

"The Ethics Committee has completed its review and has asked Senator **Stevens** to make a few technical clarifications to his disclosure," the statement said. "To make these minor adjustments, the Committee has granted the Senator another extension."

Most members of Congress met the May 15 deadline for turning in information on their personal finances, including book deals, investments and property ownership. However, several besides **Stevens** also asked for extensions.

The 83-year-old senator is under close public scrutiny during this round of filings because FBI raids on the offices of several Alaska lawmakers last year included his son, former Alaska Senate President Ben **Stevens**. The raids were part of an ongoing corruption probe.

The FBI has asked the elder **Stevens**, who is the longest-serving Republican in Senate history, to retain records, and a federal grand jury is examining the remodeling of his Girdwood home in 2000 in connection with the investigation.

Four current and former members of Alaska's Legislature have been indicted in the last year on federal corruption charges. One, former Rep. Tom Anderson, R-Anchorage, was convicted by a federal jury last week. However, the FBI has not confirmed whether **Stevens** or his son are targets, and neither has been charged.

Stevens' statement was expected in mid-July. He now has until July 30 to submit the information, according to the U.S. Senate's Office of Public Records in Washington, D.C. Senators have up to 120 days to file the report without incurring a $200 fine, according to Senate rules.

Caption:
Stevens
Caption:
Photo 1: 17stevens_071707.jpg

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Author: JEANNETTE J. LEE The Associated Press WIRE
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FBI - Stevens-932

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Stevens aide says no sign Veco helped with fundraisers

FUNDRAISERS: Treasurer says "we wanted to pay all costs."

By MATT APUZZO
The Associated Press

(Published: September 28, 2007)

WASHINGTON -- Sen. Ted Stevens' campaign has no evidence a contracting firm paid workers to help run the Alaska senator's fundraisers, the campaign treasurer said, disputing one employee's claim that he parked cars and performed odd jobs while on the contractor's payroll.

The FBI is investigating whether Stevens, the Senate's longest-serving Republican, accepted inappropriate gifts from Bill Allen, the founder of oil-services firm Veco Corp. Allen has pleaded guilty to bribing lawmakers and said he paid employees to renovate the senator's home.

One of those employees told The Associated Press last week that Allen also hired him to help run fundraisers for Stevens and other candidates, an apparent violation of campaign finance laws. Robert Williams said he worked three or four fundraisers for the senator, delivering ice, arranging table rentals and parking cars.

"If he was asked to perform services, we were never told he performed those services," said Timothy McKeever, the campaign treasurer. "We pay for all fundraising expenses."

McKeever said Wednesday night that in his 20 years working for the campaign, he never recalls seeing people parking cars for guests at fundraisers and was unaware of any Veco employees sent to work at the events. Allen did host a fundraiser at his home for the senator last year, but McKeever said the campaign insisted on paying for expenses.

"I was very clear with them to send us bills for everything. We wanted to pay all costs associated with that event," Mc-Keever said. "We got bills, which we were told for all services."

Campaign finance reports show no payments to Allen but they do indicate more than $12,000 in fundraising expenses were paid in mid-July 2006. That's around the time that Allen and other Veco executives -- who typically donated at fundraisers rather than through the mail -- donated $1,000 apiece to the campaign.

McKeever did not recall the date of Allen's fundraiser but said "we don't have any outstanding bills unpaid" for it. FBI - Stevens-933

Stevens has made a similar statement regarding his home renovation project, saying he paid every bill he received. Williams, who oversaw the project, backed that up in his interview last week, saying he recalled Stevens asking Allen to send him all the bills. But Williams now suspects Allen did not send all the bills and instead "did what he thought he could do."

The FBI raided Stevens' home in July and agents have assembled bills and other documents related to the project. Investigators also have amassed records on Veco's fundraising practices.

McKeever said the FBI has not asked or subpoenaed the campaign for records and has not

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approached him. The Federal Elections Commission has also not inquired about Veco, he said.

Though corporations are prohibited from donating money or services to campaigns, election lawyers have said Stevens likely cannot be held responsible if he did not know the employees were on the clock.

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FBI - Stevens-934

House calls for special session -
SENIORCARE: Speaker asks the Senate to join the effort.

Anchorage Daily News (AK)
June 1, 2007
Author: SABRA AYRES
Anchorage Daily News
Staff

Estimated printed pages: 3

House Speaker John Harris is asking the Senate to join his members in calling themselves back into special legislative session as soon as this month to address extending a state assistance program for Alaska's neediest seniors.

In a letter Thursday to Senate President Lyda Green, Harris said more than two-thirds of the House membership favors coming back into session before the end of June.

Harris requested lawmakers readdress funding the SeniorCare program as well as legislation that backers say could ease the funding shortfall in state pension plans.

Before adjourning May 16, the Legislature failed to pass bills that would have extended the $10.3 million-a-year SeniorCare program. A week later, Gov. Sarah Palin announced she had authorized the state to continue the program for another month after it expires June 30. The program provides checks of $120 a month to seniors living on less than $16,133 a year for singles or $21,641 for couples.

Continued funding for SeniorCare was a contentious issue during the final days of the legislative session.

Several Republican lawmakers viewed the program as an expensive state-funded entitlement.

Some, like Rep. John Coghill, R-North Pole, argued the state already has several underused programs for needy seniors.

Palin called earlier for a special legislative session this fall to revisit the petroleum production tax, the 2006 legislation that is at the center of a federal bribery investigation. Three current or former lawmakers are under indictment on charges of accepting bribes in exchange for their votes on the tax. Two executives of Anchorage oil services company Veco Corp. pleaded guilty last month to paying the bribes.

House Democrats last month asked Palin to add SeniorCare to that session.

According to the state constitution, lawmakers can call themselves back into a special session if two-thirds of them agree. The governor can also call the Legislature into a special session.

Aides to Green, R-Wasilla, said the senator had discussed the possibility of a June special session with Harris, but had not had a chance to poll other senators to see if there was enough support.

House Minority Leader Beth Kerttula, D-Juneau, said the Democrats supported Harris' request to address the issue sooner than this fall.

"However it gets done, we want to see our seniors taken care of," she said.

Harris, R-Valdez, said the special session should be in Anchorage, not Juneau, and before the SeniorCare expires on June 30.

"The fall is too far out," he said. "We don't want to get into appropriations to extend it temporarily. That's risky ground."

FBI - Stevens-935

Lawmakers would need only a few days to work on the bill and get something passed, he said.

Daily News reporter Sabra Ayres can be reached at sayres@and.com or in Juneau at 1-907-586-1531.

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Government will reflect public's values, good or bad

Anchorage Daily News (AK)
May 30, 2007
Author: MICHAEL CAREY
COMMENT
Staff

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After oil was discovered at Prudhoe Bay in 1969, my dad told me, "If you want to see your future, go to Oklahoma."

My dad, Fabian, was no fan of the oil industry. He meant: If you want to see your future, go to Oklahoma and see political corruption. From his perspective, wherever Big Oil thrived, corruption followed, and he would point to Louisiana and Texas as well as the Sooner state.

Fabian was a son of the Midwest progressive tradition, born in Minneapolis, the home of a powerful good-government movement for the first half of the 20th century.

My dad failed to tell me the whole story, however. Once upon a time, Minneapolis was one of the most corrupt cities in the United States, subject to the outrage of muckraker Lincoln Steffens.

Steffens was appalled by Mayor "Doc" Ames, a physician whose greed apparently became boundless after he was elected in 1900. From city hall, Ames organized crime and vice, making gamblers, saloon owners, prostitutes and con men beholden to him. They all paid a cut to the government -- that is, Ames -- in exchange for freedom to flourish. The police department, under the direction of the mayor's brother, guaranteed their freedom. One source says Minneapolis had 150 brothels at the time.

In a series of essays condemning corruption, "The Shame of the Cities," Steffens paused to explain why Minneapolis and other major turn-of-the century communities were led by boodlers out for the buck.

Everywhere he looked, Steffens found moral failure, especially in the business community.

America is ruled by business values, Steffens said, and business values are about one thing: money.

"The commercial spirit is the spirit of profit, not patriotism; of credit, not honor; of individual gain, not national prosperity; of trade and dickering, not principle," Steffens wailed. And he wasn't finished as he went on to condemn the very fabric of American commercial and political life.

"The Fourth of July oration is the front for graft. There is no patriotism in it, but treason. It is part of the game. The grafters call for cheers for the flag, 'prosperity,' and 'the party,' just as a highwayman commands 'hands up'..."

This is the prose of an angry man, a man who could conclude "the spirit of graft and lawlessness is the American spirit."

You won't be surprised that Ames dismissed Steffens' moral indignation. In a speech to temperance advocates, Ames suggested reformer types were disturbing God's natural order. Temptation had existed since Adam and Eve met the serpent in the garden of Eden, Ames maintained. Who were the do-gooders to eliminate temptation and its fruits?

If American capitalism habitually abuses American democracy for its own ends, if the world is inherently a sinful place where temptation abounds, how do we reform government -- how do we reform Alaska government now that we know the serpent had a suite at the Baranof Hotel during legislative sessions?

FBI - Stevens-936

Years ago, I asked the pioneer game warden Sam White for the best way to ensure Alaskans obey fish and game laws.

"Build lots of jails, sonny, and fill 'em," he replied.

It's tempting to apply the Sam White solution to politics, except it's doubtful we could maintain our democracy if we made the state House and the jailhouse equal branches of government.

Doc Ames never spent time in jail. He was driven from office by citizens who could not stand the stench at city hall.

It's a terrible cliche, a traditional bromide, but people have to care about honest government to get honest

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government. And they have to create institutions with the strength and reach to restrain would-be corrupters. Bill Allen of Veco acquired so much power in the Republican Party and the halls of the Legislature, there was no one to restrain him. No one in Alaska, anyway. He achieved his power through his money, dispensed legally and illegally. Is there anybody who doubts that?

It angered Lincoln Steffens to discover the American people were complicit in the corruption of their cities, and it depressed him to admit this was the only real discovery in his reporting. The venality of American business was for Steffens old news, although he ranted about it.

Steffens was doubly angered and depressed when he realized why the people were complicit in their own corruption.

Because the American people thought politics was for someone else to worry about. Because the American people themselves were often as venal as their corrupters. Because the American people admired wealth even when born of chicanery and crime.

Government has to matter to you if you want to make it honest. And you have to be honest yourself.

If you don't care and you're not honest, you can expect a government that reflects your values.

Michael Carey is the former editorial page editor of the Anchorage Daily News. He can be reached at mcarey@adn.com.

Photo 1: Michael_Carey_BW_053007.jpg

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Section: Alaska
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FBI - Stevens-937

Some call Stevens vulnerable -
IN MINORITY: Still, more than a million has poured in for campaign.

Anchorage Daily News (AK)
June 1, 2007
Author: KYLE HOPKINS
Anchorage Daily News
Staff

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Known for delivering cash to Alaska, U.S. Sen. Ted Stevens is now raking it in.

"No other candidate for federal office in Alaska has ever raised the kind of money the senator has raised in the last six months," said Tim McKeever, treasurer for Stevens' re-election campaign.

But even as he rapidly stockpiles money for his re-election campaign, potential opponents are wondering: Is 2008 the year Uncle Ted is actually vulnerable?

Stevens is an Alaska icon and one-man state industry, bringing huge amounts of federal dollars here. Supporters say he's as vital and feisty as ever. But he is 83 years old and now in the Senate minority.

His son, former state Sen. Ben Stevens has been linked to -- although not indicted in -- a federal corruption investigation.

"He's not as popular as he was in years past, and each day that goes by he gets a little bit softer," said Ivan Moore, an Anchorage polister who often works for Democrats.

Still, no heavyweight opponents are clamoring to take Stevens on. At least not yet.

Moore said two high-profile Democrats are potential candidates: Anchorage Mayor Mark Begich and former Anchorage state Rep. Ethan Berkowitz.

Asked Thursday if he'll run, Begich said he's focused on the job he has. Uprooting his family and jumping into the meat grinder of D.C. politics isn't something he'd do lightly, he said.

"If you're going to run for an office just because people told you you have to, you're not going to be happy," he said.

Begich said he's fielded recruitment calls from the Democratic Senatorial Campaign Committee and Democratic Congressional Campaign Committee, which spend big to help candidates get elected across the country.

Berkowitz ran unsuccessfully for lieutenant governor alongside fellow Democrat Tony Knowles in last year's gubernatorial race. He said he's thinking about a potential U.S. Senate run but hasn't made a decision.

Two lesser-known candidates, Unalaska City Councilman Rocky Caldero and Nels Anderson, a Soldotna doctor, plan to challenge Stevens, said Jake Metcalfe, chairman of the state Democratic Party.

Polister and political consultant David Dittman has worked for Stevens campaigns in the past and said he may work for the senator in 2008.

This race could be different for Stevens if national Democratic groups choose to target his seat, Dittman said. He said they might go after him because he's a high-profile Republican in a state where it takes less money to reach voters.

FBI - Stevens-938

FBI investigations and federal prosecutions now under way add an X factor to next year's election.

Over the past month, one current and two former state lawmakers have been indicted on federal extortion and bribery charges. Two executives for the Veco Corp. pleaded guilty to bribery, conspiracy and tax charges and are now cooperating with authorities. Although Ben Stevens hasn't been charged with any crime, the charges against others link him to the corruption cases.

Dittman said he doesn't think voters lump the two Stevenses together, while McKeever, the campaign treasurer, said he doesn't expect the investigation to affect Ted Stevens' campaign.

"Sen. Stevens has served Alaska for many years," McKeever said. "He's got a record of accomplishment and service. He's got influence in Washington that I think would be difficult for anybody to match."

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The FBI and a federal grand jury have been investigating the extensive remodeling of Ted Stevens' Girdwood home in 2000, and the involvement of Veco in the project.

McKeever wouldn't comment on the remodel investigation, but Metcalfe, the Democratic Party chairman, says the investigations make Stevens vulnerable and could embolden opponents.

According to the Fairbanks Daily News-Miner, Stevens has said that depending on who runs against him, he may have to raise as much as $5 million.

Over a six-month period ending March 31, Stevens raised about $686,000, McKeever said Thursday, bringing his total so far to more than $1 million.

"Every time Sen. Stevens runs a campaign, he runs expecting that he will face a strong opponent," McKeever said.

Daily News reporter Kyle Hopkins can be reached at khopkins@adn.com.

Caption:
Stevens

Caption:
Photo 1: Ted Stevens CMYK_060107.jpg

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FBI - Stevens-939

Weyhrauch fought off bites of cold, mosquitoes

Anchorage Daily News (AK)
April 25, 2007
Author: SABRA AYRES
Anchorage Daily News
Staff

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Despite uncontrollable shivering and swarming mosquitoes, former state legislator Bruce Weyhrauch says he never thought about the possibility of dying during the 17 hours he spent wet, cold and missing after falling off his boat and swimming to a nearby island in the icy waters of Auke Bay.

Weyhrauch said that keeping warm was his first priority. But thoughts about his tight-knit family and the belief that someone was watching over him kept him going, he said in a telephone interview Tuesday from his home.

Weyhrauch, 54, is recovering from hypothermia. He fell into the 43-degree waters of the bay, about 15 miles north of Juneau, Sunday evening after slipping and losing his balance while alone on his boat.

He recalled he swam for about an hour before reaching Coghlan Island, where he spent the night fighting off biting mosquitoes and cold.

His family reported the former member of the Alaska House and practicing Juneau attorney missing Sunday night, after the Coast Guard found his Boston Whaler abandoned but with its engine still running. A long search began, and Weyhrauch was located on the sandy shore of the island Monday morning at about 11 a.m.

"I didn't want to anticipate rescue," he said. "There's no manual for how to do this. I just had to maintain being calm, look at options, and then make the decision and do it."

Weyhrauch said he set out swimming for Coghlan Island after realizing his boat was moving too fast to catch. He swam with his back away from the island to keep the cold water from rushing into his body's core. He kept his arms as close to his side as possible, he said, in order to try to retain body heat. The position caused him to swim like the cartoon character Nemo, he said.

His feet and legs cramped early on in the swim, while his arms weakened to the point of uselessness. When he finally made it to the shore, he had no energy left and let a wave give him the final push to land.

After resting on the sandy beach for some time, Weyhrauch, said he stumbled into the woods.

HOME IN SIGHT

Across the bay, Weyhrauch could see his family's house and the regional ferry terminal.

Curled up in the fetal position in wet leaves, he spent most of the night shaking from the cold and enduring mosquitoes.

In the morning, he recovered the strength to move back to the beach. He said he believes he saw at least one boat pass by the island. He waved and the passengers waved back but must have been unaware of the search efforts, he said.

He then spotted rescuers from the Southeast Alaska Dogs Organized for Ground Search, a volunteer search and rescue group based in Juneau who were searching the island.

FBI - Stevens-940

The Coast Guard airlifted Weyhrauch to Bartlett Regional Hospital. Doctors released him late Monday afternoon.

Weyhrauch said Tuesday he felt like he had been "kicked by a million crickets" and had pain in his jaw and teeth from chattering.

When asked how his family was handling the ordeal, he said they must be relieved to have him home again.

"The dishes were starting to stack up," he joked. Weyhrauch lives with his wife and three children.

Weyhrauch was wearing a float coat when he fell overboard. He said while knowledge and experience around Southeast waters is essential, boaters should think about carrying a communication device such as

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a cell phone in a plastic bag when on the water.

His life-threatening ordeal won't stop him from boating in the future.

"This is Alaska," he said. "What am I going to do, ignore the fact that the waters are cold?"

Daily News reporter Sabra Ayres can be reached at sayres@adn.com.

Caption:

Weyhrauch

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Page: B1

FBI - Stevens-941

Special interests win again in Juneau, and we all lose

Well, well, well, things just never change.

The largest, richest church in Anchorage will have to pay even less property taxes in the future ("Church scores tax exemption for houses," May 10). Looks like more anti-Robin Hood behavior to me. Give to the rich, take from the poor and middle class. The Alaska Legislature should be ashamed. Special interests win again at the cost of the average Alaskan. I guess we can thank Sen. Lyda Green from Wasilla for some last-minute maneuvering to get this one passed.

Next is the oil tax bill and gas line negotiations. How much are we going to give in to the mighty oil companies to get these things accomplished?

They are so afraid in Juneau that the oil companies are going to pick up and leave the state. Pul-eeze. They aren't going anywhere. Especially when they can pull the strings of our governor and Legislature to get whatever they want.

I vote every time, and I won't be voting for any incumbents from my district.

I only hope that there are enough voters out there that are tired of the shenanigans in our capital and vote to get rid of those who are hurting Alaska.

-- Lori Wilkins

Wasilla

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Weyhrauch trial won't move

REQUEST DENIED: Judge rules Anchorage is better for high-profile case.

The Associated Press

(Published: August 6, 2007)

The corruption trial for former Rep. Bruce Weyhrauch, R-Juneau, will remain in Anchorage, a federal judge has ruled.

The request by Weyhrauch to move his corruption trial from Anchorage to Juneau was denied in a written ruling by U.S. District Court Chief Judge John Sedwick.

Anchorage has a larger jury pool and a larger courthouse that is more equipped to accommodate a change of courtroom in the event of a technology failure, Sedwick wrote in the ruling.

Sedwick noted that two key witnesses in the trial both live in Anchorage. They are former Veco Corp. CEO Bill Allen and former Veco vice president Rick Smith.

The decision also applies to former Alaska House Speaker Pete Kott, Weyhrauch's co-defendant, and his trial will also be held in Anchorage.

Weyhrauch had said he wanted his trial moved to Juneau to avoid delays and save money. Weyhrauch and Kott, a Republican who represented Eagle River from 1993 until this year, live in Juneau.

They are accused of selling their votes and influence to oil field services contractor Veco and Allen during last year's debate on oil taxes. Their trial is set to begin in Anchorage on Sept. 5.

Weyhrauch, an attorney with a wife and three young children, served in the House from 2003 until his term ended this year. He didn't run in 2006.

Allen and Smith have pleaded guilty to extortion and bribery related to their dealings with legislators.

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Young finally pays the bill for 7 years of crab at fundraisers

'CRAB FEED': E-mail notes in-kind contributions; payback is $5,583.

By ERIKA BOLSTAD
ebolstad@adn.com

(Published: August 7, 2007)

WASHINGTON -- U.S. Rep. Don Young has agreed to reimburse a seafood trade association $5,583 for the cost of providing food at his annual "Crab Feed" fundraiser for the past seven years.

Young's campaign treasurer said that this spring the Pacific Seafood Processors Association sent the campaign an e-mail, saying the group had researched its records and determined it had made in-kind contributions that needed to be disclosed. The campaign wasn't aware of the contributions until receiving the e-mail, said Robert Bohnert, Young's campaign treasurer.

Originally, the campaign was going to reimburse the industry group only for the 2004-2006 contributions, but decided last week to also send back the 2001-2003 contributions, worth about $3,175 total. Typically, the Pacific Seafood Processors Association provided between $700 to $900 in seafood for the event, Bohnert said.

Bohnert said he did not know why Young or his lawyers made that decision, and referred further questions to Young's campaign manager, Steven Dougherty.

"We're not commenting at this time," Dougherty said. "We're not commenting on issues pertaining to this topic."

But until the seafood trade association told them about the in-kind contributions, they weren't aware of them, Bohnert said. They pay someone to organize the event, including ordering the food and renting out the Capitol Hill Club. The annual event is a Washington tradition for Alaska's Republican congressman

"If we don't know about it, we can't do anything about," Bohnert said. "I don't know what prompted them to send it to us."

In July, Young disclosed to the Federal Elections Commission that he spent more than $262,137 from his campaign account to pay legal bills this year. Between March 10 and June 15, Young's congressional fundraising committee, Alaskans for Don Young, paid two Washington law firms to advise him.

Young, who is under investigation by the FBI, has refused to address questions about the federal inquiry.

Young has four major fundraisers scheduled this August while he is in Alaska, Dougherty said. There's a pig roast in Anchorage on Wednesday, salmon bakes in Fairbanks and Anchorage on Aug. 13 and 15, and an Aug. 16 golf tournament in Palmer. He also plans his annual mooseburger fundraising event in September, when Congress goes back into session.

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Ben Stevens lands job on the sea

BACK TO ROOTS: Former Senate president will crew on Shell Oil support vessel in Beaufort Sea.

By WESLEY LOY
wloy@adn.com

(Published: August 8, 2007)

Ben Stevens, the former state senator who has come under scrutiny along with his father in a broad federal public corruption probe, has taken a new job far from his Anchorage home.

The younger Stevens has been hired as a crewman aboard a work boat supporting Dutch oil giant Shell's planned Arctic Ocean exploratory drilling campaign.

The job marks a return to a former seafaring life for Stevens, who for many years ran crab fishing boats in the Bering Sea.

A Shell contractor, Bering Marine Corp., a unit of Anchorage-based transportation company Lynden Inc., hired Stevens as mate and relief skipper aboard the 121-foot combination tug and landing craft Arctic Seal.

The vessel is supporting a Shell-hired drilling ship now sitting in Dutch Harbor, preparing for a drilling campaign later this summer in the icy Beaufort Sea off Alaska's northern coast.

Stevens and the crew of the Arctic Seal have been ferrying heavy equipment and supplies from land to the drill ship Frontier Discoverer, which is anchored offshore.

Lynden executives said they called Stevens and offered him the job. They said he had previously worked for the company running boats.

"He's licensed, qualified, and right now it's hard to find good experienced employees like that," said Rick Gray, president of Bering Marine.

Lynden president Jim Jansen added that working aboard the Arctic Seal is no glamour job. He called it "a pretty crude piece of equipment."

"It's a very dirty and difficult job, and we pay Ben the identical wage that any other crew member in a similar position would get," Gray said. "We're real proud to have Ben working for us."

Stevens, who was state Senate president until his term ended in January, has come under scrutiny amid a federal investigation that has resulted in bribery charges against four former state lawmakers, one of whom has been convicted.

Stevens, 48, was among several lawmakers whose Anchorage legislative offices were searched by FBI agents nearly a year ago.

He hasn't been charged with any crime, but federal prosecutors have made reference to a "State Senator B" -- unmistakably Stevens -- who took $243,250 in bogus "consulting" fees from Bill Allen

and his oil field services company, Veco Corp.

Allen pleaded guilty in May to bribery and other charges, and admitted that the payments to Stevens were mainly for influencing legislative action. Allen also offered to make Stevens a Veco executive, court papers say.

U.S. Sen. Ted Stevens, R-Anchorage, recently has come under scrutiny as well after federal agents searched the senior senator's Girdwood home, which was remodeled in 2000 with Allen and Veco taking a hand in the project.

Ben Stevens, who is living aboard the boat, could not be reached. But he asked his attorney, John Wolfe of Seattle, to return a reporter's call.

Wolfe said Tuesday that Stevens has a background in running boats, as well as a wife and children. So when the job offer came from Lynden, he took it.

"It's like many of the jobs Ben Stevens has had. It's hard work," Wolfe said. "It's a job he's well-qualified to do. He's had years of experience on the sea."

Wolfe added that Stevens is "innocent of any charges," and that Lynden saw in him the honesty and integrity necessary for the responsibility he's been given.

He said he didn't know how much Lynden is paying Stevens.

Gray and Jansen said Stevens has been hired for the Shell project, and that the job could last until the Beaufort Sea ices up this fall, marking the end of the offshore drilling season.

Whether the drilling will proceed, however, is an open question as environmentalists, the North Slope Borough and other challengers have won a temporary block of Shell's plans in federal court. At issue is whether the drilling could disturb migratory bowhead whales hunted for subsistence.

That's why Shell's drill ship remains in Dutch Harbor. If Shell can prevail in court and also secure some remaining permits, the ship will head north to the Beaufort Sea.

And so, mostly likely, will Stevens and the Arctic Seal, which is mentioned in Shell's plans as part of a support fleet to voyage to the Beaufort for the drilling.

Find Wesley Loy online at adn.com/contact/wloy or call 257-4590.

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FBI investigates science contracts awarded Veco

ARCTIC: $170 million in research contracts coincided with support for polar funding by Sen. Stevens.

By ERIKA BOLSTAD and GREG GORDON
McClatchy Newspapers

(Published: August 16, 2007)

WASHINGTON -- The FBI is investigating the National Science Foundation's award of $170 million in contracts to the oil field services company that oversaw renovations on U.S. Sen. Ted Stevens' home.

The firm, Veco Corp., captured a lucrative five-year NSF contract in 1999 to provide logistics and support for polar research, although it had no previous experience in that field. During the same time period, Veco's top executive managed renovations that doubled the size of the longtime Republican senator's Girdwood home -- the scene of a July 30 FBI raid.

NSF spokesman Dana Cruikshank told McClatchy Newspapers that the FBI has made inquiries into the 1999 award, worth up to $70 million, and a 2004 follow-up contract for as many as seven years that the company values at up to $100 million. Justice Department spokesman Bryan Sierra and spokeswoman Deborah Weierman of the FBI's Washington field office, which is leading the investigation, declined comment on the NSF contracts.

Veco's founder and CEO, Bill Allen, pleaded guilty this spring to making $400,000 in illegal payments to Alaska lawmakers, including Stevens' son, Ben, who until last year was president of the Alaska Senate. Allen is cooperating in a sweeping FBI corruption investigation that also has led to the conviction of a former Alaska state representative and guilty pleas from a second Veco executive and a prison-industry lobbyist.

Three other state lawmakers are awaiting trial on bribery charges. Ben Stevens has not been charged.

The disclosure provides further evidence of the degree to which the investigation of public corruption in the Alaska Legislature has widened to include at least two of the state's three members of Congress. Alaska's sole congressman, U.S. Rep. Don Young, is also under investigation for his ties to Veco.

STEVENS-VECO CONNECTION WAS KNOWN FBI - Stevens-947

Until now, there has been little hint as to how Veco might have benefited from the close relationship that its CEO had with the elder Stevens, who served for several years as the powerful chairman of the Senate Appropriations Committee. Stevens also had oversight of the National Science Foundation in his senior role on the Senate Commerce Committee.

No evidence has surfaced that Stevens directly steered the contract to Veco, but his aggressive support for increased funding for Arctic research coincided with the company's sudden emergence as a major player in providing logistics for polar scientists. Under the contract, Veco helps transport researchers to remote Arctic regions for more than 150 scientific projects, feeds them, houses

them and provides equipment and communications during their stays.

Stevens would not comment on any aspect of the investigation and has refused to talk about the FBI raid on his house. A spokesman said that the 83-year-old senator has long had an interest in seeing more money spent on Arctic research.

"Sen. Stevens has long been a supporter of increasing federal funding for Arctic research," said Aaron Saunders, the spokesman. "Alaskans, more than anyone in the nation, are feeling the effects of climate change. In order to understand the causes and impacts of these changes, Sen. Stevens believes that a variety of agencies must help us learn more about the Arctic. As an appropriator and a senior member of the Commerce Committee, it is Sen. Stevens' role to ensure government entities receive the necessary funding to carry out this important work."

As far back as 1994, as a member of the Senate Commerce Committee, Stevens championed putting more Arctic research money into the NSF budget. In 1997, when a government advisory group overseeing Arctic research issued a report detailing disparities in research between the Arctic and Antarctica, Stevens became a standard bearer for the cause.

"I know that Sen. Stevens was very strongly taken with what we had uncovered in the study," said George Newton, a research engineer and former U.S. Navy submarine captain who served for 12 years as chairman of the panel, the Arctic Research Commission. He said Stevens cited the study as a basis for appropriating more money for Arctic research.

Unsolicited, Stevens put $25 million into the commission's budget without ever explaining why an advisory panel instead of the National Science Foundation would get the money. The funds were later shifted to the NSF.

Newton said that when it came time in 1999 to award a polar logistics contract, it was believed within the NSF and in polar research circles that Veco's relationship to Stevens' son might give the company an advantage.

CAME FROM NOWHERE TO WIN CONTRACT

In Allen's plea, he admitted paying fees to the younger Stevens' consulting firm beginning in 1995 -- six years before he was appointed to the state Senate. From 2002 to 2006 when he was a state senator, Stevens was paid $243,250 by Veco mainly for "giving advice, lobbying colleagues and taking official acts in matters before the legislature," Allen admitted in court filings. Allen also offered to make Stevens a Veco executive, the filings say.

"The thought was going around, that as the competition was going on within NSF, there was always this talk that Sen. Stevens' son was connected to Veco," Newton said. "A wink of an eye, so to speak, among people who were not involved in the evaluation. It was water cooler conversation."

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One losing bidder questioned the fairness of Veco's initial award in 1999 and said it should "bear further scrutiny."

Marijane Hancock, who submitted a proposal on behalf of the University of Nebraska's Polar Ice Coring Office in partnership with a Canadian company, said she could not imagine Veco gearing up to submit a competitive proposal within a three-month bidding deadline unless company officials somehow had a head start.

The University of Nebraska project held the polar research logistics and support contract from 1974 to 1989, lost it for five years to the University of Alaska, then won it back for the period from 1994

to 2000, earning $17 million over the final six years.

Karl Kuivinen, who headed the Nebraska project in the 1990s, said Veco came from nowhere to win the successor contract.

No one knew the contract's value until the agency floated a formal request for bids on April 21, 1999, said Mike Ledbetter, a former Science Foundation technical manager who sat on a panel that reviewed competing bids.

Ledbetter and Hancock said that Veco gained expertise by hiring several former employees of Antarctica Support Associates, a company that performed similar support services on the South Pole.

Hancock, now a University of Nebraska assistant vice president for academic affairs, said she drafted a protest letter when Veco won the contract, but her bosses decided not to send it. Among other things, she complained that Simon Stephenson, the National Science Foundation's contract manager, "had developed long-term personal relationships" with the former Antarctica field workers who were hired by Veco.

ARCTIC OIL FIELD WORK A FACTOR

The NSF declined to make Stephenson or anyone else available for an interview.

Hancock also noted that, when potential bidders were invited to send personnel to Greenland to tour the main site of the research in June 2000, two Antarctica workers missed a sign-up deadline. She said NSF officials then asked her office to escort the two, who Hancock said, "were provided personal, extensive and special access to all aspects of our operation."

"We learned in the middle of December, after the contract was awarded, that the two individuals we accommodated went to work for Veco Rocky Mountain Inc., on their contract," she wrote.

Veco had no previous government logistics contracts of such scope, but the company's work on North Slope oil fields gave it experience operating under harsh Arctic conditions. The entity set up by Veco to manage the NSF logistics contract, Veco Polar Resources, was formed after its parent company landed the work in 1999.

NSF said there had been no major problems with Veco's performance on the contracts.

Since Allen's guilty plea, he has stepped down from Veco. The Colorado engineering firm CH2M Hill is in negotiations to buy Veco for $463 million.

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Researcher Tish Wells contributed to this story.

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Ex-legislator asks for separate trial from co-defendant Kott

CORRUPTION CASE: Attorneys are mum on reasons for the motion.

By LISA DEMER
ldemer@adn.com

(Published: August 17, 2007)

Three weeks before the corruption trial of former state Reps. Bruce Weyhrauch and Pete Kott is set to begin, Weyhrauch wants a judge to split his case from that of his co-defendant.

No one will say why.

The motion and supporting documents were filed under seal, out of public view. It's the same story with much of the legal maneuvering in the case. Lawyers involved say they couldn't talk about the issues even if they wanted to.

"There's a lot going on behind the scenes and it involves evidence that we can't discuss before the trial," said Doug Pope, one of Weyhrauch's attorneys.

The trial is scheduled to begin Sept. 5, though that could change. U.S. District Court Judge John Sedwick has yet to rule on several sealed motions.

The corruption case involves accusations that officials with oil field services contractor Veco Corp. bribed the legislators to help push an oil-production tax favored by the industry through the Legislature in 2006.

Veco's former chief executive, Bill Allen, and vice president, Rick Smith, have pleaded guilty to bribery and conspiracy involving four legislators: Kott, Weyhrauch, indicted former Wasilla Rep. Vic Kohring and former Senate President Ben Stevens, who was described but not named in court documents. Kohring has an October trial date. Stevens hasn't been charged.

Allen and Smith are now cooperating with the government and are expected to be key witnesses at the trial. They've resigned from Veco.

It appears from the indictment that the FBI used electronic surveillance of Veco's suite in Juneau's Baranof Hotel to collect evidence.

Kott is accused of taking payoffs totaling $8,993 and the promise of a job from Veco in exchange for doing the company's bidding. Weyhrauch is accused of soliciting legal work from Veco.

Generally, one reason a defendant tries to split off his case is so he won't be tainted by his co-defendant, said Rex Butler, a prominent Anchorage criminal defense attorney not connected with the Kott-Weyhrauch case.

"First of all, one person might be really knee deep in the trouble while the other person is a surface player," Butler said. "The problem is, in a joint trial, if a juror takes one down, they almost always will take both people down."

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The specifics of the accusations against Kott and Weyhrauch differ, though they were indicted together May 3 and face similar charges: conspiracy and bribery against both; extortion and wire fraud against Kott; attempted extortion and mail fraud against Weyhrauch.

Kott is described in the indictment as willingly doing Veco's bidding and meeting with Allen and Smith in the Baranof's Suite 604 to plot strategy.

As laid out in the indictment, Weyhrauch's role was smaller. But he is accused of following Kott and Allen's instruction to change his vote on an amendment opposed by the oil industry. He had mistakenly voted the wrong way, the indictment says.

The charging document quotes a conversation between Kott and Allen in Suite 604 after the amendment was defeated on May 7, 2006:

Kott: "I had to get 'er done. So, I had to come back and face this man right here," pointing to Allen. "I had to cheat, steal, beg, borrow and lie."

Allen: "I own your ass."

Co-defendants may want to point the finger at each other, but that can backfire in a joint trial, Butler said.

"Both parties will end up convicting each other," he said.

Defense lawyers also may end up stepping on each other's toes. And there can be problems with evidence when one defendant has made incriminating statements against the other, Butler said.

Plus, defense lawyers like looking like the little guy up against the government with all of its power and resources, Butler said. The image doesn't carry as well with a table full of defense lawyers.

Jim Wendt, who represents Kott, said he probably won't oppose the motion to sever the cases, but he won't join in, either.

As to Kott's defense, "You'll have to wait and see, but our defense is basically that our guy is not guilty," Wendt said.

Weyhrauch attorney Pope said that his client is innocent and never sold his votes.

Prosecutor Jim Goeke declined to comment on the upcoming trial or the maneuvering.

Jury selection is scheduled to begin Sept. 5 with a bigger-than-normal pool of 120 potential jurors from Southcentral Alaska and beyond. Judge Sedwick has ordered that potential jurors be pre-screened with a questionnaire. It asks whether they know the defendants, lawyers or key witnesses; what they've read, seen or heard about the case; and whether they already have opinions about Kott and Weyhrauch.

Kott is a former House Speaker from Eagle River first elected in 1992 and defeated in the 2006 Republican primary. He now lives in Juneau. Weyhrauch is a Juneau attorney who served two terms and didn't run again in 2006.

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Legislators' corruption trials may be paired

TWO LAWMAKERS, ONE TRIAL: Judge's recommendation comes with hearings set to start Sept. 5.

By LISA DEMER
ldemer@adn.com

(Published: August 28, 2007)

With their public corruption trial just over a week away, former state Reps. Pete Kott and Bruce Weyhrauch are maneuvering to throw out big chunks of the prosecution case.

Wiretap evidence. Secret video recordings. Statements by "unindicted co-conspirators," as the prosecution calls them.

Kott's and Weyhrauch's defense lawyers are filing court pleadings at a furious rate as the Sept. 5 trial date nears. Prosecutors, meanwhile, say at least part of the legal battle is too late.

On Monday, a magistrate judge issued a recommendation that the two former lawmakers be tried together.

Weyhrauch was trying to split his case apart from Kott's. His reasons weren't stated publicly because the argument, like many in the case, was filed "under seal." But in his 12-page recommendation Monday, Magistrate Judge John D. Roberts shed some light on the issues raised by Weyhrauch:

• Worries about a spillover effect, if the government has more evidence against Kott. Frequently, that's the situation with co-defendants, Roberts wrote.

"The argument that Weyhrauch never became intoxicated, used foul language or was given a hat with the letters "CBC" (corrupt bastard's club) may serve to distinguish him from the actions of his co-defendant in the jury's assessment of the case," Roberts said. Jurors should be able to separate the evidence against each, and the judge may give special instructions along those lines, he said.

• If the two men are tried together, Weyhrauch's defense lawyer believes the prosecution may try to prove there were multiple conspiracies, but Weyhrauch is accused of participating in only one.

Weyhrauch and Kott were indicted on a charge of conspiring with two Veco Co. executives, Bill Allen and Rick Smith, and others on the rate for a new state oil tax. Both Allen and Smith have since resigned. Veco is an oil field services company.

If evidence of multiple conspiracies is proven at trial, that could be harmful to Weyhrauch and make a conviction "vulnerable to attack on appeal," Roberts acknowledged. But until the trial happens, it's impossible to know whether that will be the case, he said in his recommendation.

U.S. District Court Judge John Sedwick ultimately will decide the issues.

Doug Pope, one of Weyhrauch's lawyers, said that despite Roberts' recommendation, his client's case still could be split apart from Kott's -- after the trial begins and evidence is admitted. That's

usually how such matters play out, he said.

The deadline for motions was July 24. That's the same day prosecutors turned over to the defense 1,601 pages of materials used to support their search warrant application. There simply wasn't enough time to handle that volume of documents, Kott's lawyer, Jim Wendt, wrote in a court filing.

Judges can allow defense lawyers to make new arguments, even at this late date.

The reason the prosecution didn't provide the documents sooner? It's "because the materials disclose multiple ongoing, non-public investigations," according to a filing by prosecutors.

The details of the search warrant documents remain largely hidden from the public -- "under seal," to use the court term. Both sides have filed documents that way. Prosecutors said in one court document that they didn't want information about other suspects or investigations to become public.

Roberts ordered on Friday that no more documents in the case be filed under seal unless the lawyers first get permission from a judge. The order surprised the defense lawyers.

"He came in like a cowboy out of left field on that," Pope said.

Calls to prosecutors weren't returned Friday or Monday.

Weyhrauch, a Republican from Juneau, did not run in 2006. Kott, a former Republican House Speaker from Eagle River, was defeated in the 2006 primary and now lives in Juneau.

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Ben Stevens ID'd as Senator A

COURT FILINGS: Ex-legislator had only been named in news reports.

By LISA DEMER
ldemer@adn.com

(Published: August 30, 2007)

In a court ruling this week, a federal judge identified former state Senate President Ben Stevens as an alleged co-conspirator in a bribery scheme involving legislators and oil field services contractor Veco Corp.

Though news reports named him months ago, it was the first time Stevens has been so named in a court document.

The development was just one of the intriguing pieces of information popping up in court filings as the public corruption trial of former Reps. Pete Kott and Bruce Weyhrauch approaches. It's set to begin Sept. 5.

"The evidence which the United States will present at trial will show that state Senator A is, in fact, Ben Stevens," U.S. District Judge John Sedwick wrote.

The indictment against Kott and Weyhrauch says Senator A conspired with them and two Veco executives to benefit the company.

In particular, the document describes a June 5, 2006, telephone conversation between the senator and former Veco chief executive Bill Allen. In the phone call, the two agreed that Weyhrauch came to support oil tax legislation favored by Veco because Allen had promised him legal work for the company. Weyhrauch is a lawyer.

Stevens worked as a Veco consultant for years, making $243,250 from 2002 through 2006 while he was a state senator.

John Wolfe, a Seattle lawyer who represents Stevens, said he was disappointed the judge named Stevens publicly without giving his client a chance to object. Stevens hasn't been charged in the ongoing corruption investigations.

"We're concerned about the impact that this will have on Mr. Stevens' ability to get a fair trial" -- should he be indicted, Wolfe said.

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At any rate, Stevens maintains he's done nothing wrong, Wolfe said.

In other developments:

• Prosecutors won't be able to tell jurors that Weyhrauch allegedly cheated on his legislative per diem allowance. They wanted to include such evidence as "prior bad acts."

Sedwick ruled Tuesday that even if Weyhrauch was chiseling on his per diem claims, that's a lot different than being accused of selling his legislative office. But it's just the kind of behavior that

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outrages voters. Jurors may unfairly leap to the conclusion that a legislator who cheated on his legislative allowance is guilty of everything else, too, the judge said.

• Efforts by Kott's lawyer to dismiss various charges were struck down by Sedwick. Attorney Jim Wendt attempted to file legal pleadings past the deadline, but the judge said no. Even if the pleadings were on time, they lacked merit, he ruled.

Meanwhile, some trial issues will be sorted out at a hearing this morning before Sedwick.

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Kohring claims his detention was illegal

FBI RAID: He says he was not read his rights during questioning.

By LISA DEMER
ldemer@adn.com

(Published: August 30, 2007)

Former state Rep. Vic Kohring claims that when FBI agents raided his legislative office a year ago, they illegally detained him and forced him to submit to hours of interrogation without ever reading him his rights.

Kohring was indicted on bribery, extortion and conspiracy charges in May. He is accused of selling his office to oil field services contractor Veco Corp. and resigned his Wasilla House seat in June. Trial is set for Oct. 22.

His lawyer, John Henry Browne of Seattle, is trying to suppress evidence seized in and statements made by Kohring during the Aug. 31, 2006, search.

New court filings told from Kohring's point of view are full of drama:

Around 11 a.m. that day, FBI agent Alan Vanderploeg called Kohring on his cell. He was with a friend, headed to Palmer to check out a pickup for use in his House race. The agent insisted they meet right away at Kohring's Wasilla office.

"Five armed FBI agents, who were already waiting there, created a quite intimidating scene," when Kohring arrived.

The agents said they had a warrant to search his office, but never produced it, according to Kohring's story. Instead, the court papers say, they pressured him to consent to a search so no warrant was needed and threatened to tell the media if he refused.

The FBI advised Kohring to send his aide home, which he says in a statement he later regretted.

"Then, while Kohring was isolated and segregated, the agents finally revealed that he was not only a witness, but also a suspect as well, and displayed a thick file folder with his name on it ostensibly containing incriminating information, though the agents never displayed its contents," says one of the court filings.

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The FBI investigation dated to 2003, his lawyer wrote.

The agents told Kohring he wasn't under arrest, but made it clear he wasn't free to leave, Kohring claimed in his statement. In fact, they locked the front door to his office and wouldn't let him go to the bathroom or get a drink of water, his lawyer contends.

The totality of circumstances -- including a "police-dominated atmosphere" -- shows that he was in custody, yet he was never read his Miranda rights, Browne argued. No reasonable person would have felt free to leave, one of the motions says.

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Kohring was able to phone a friend and attorney, Robert Hall. He contends the FBI pressured him to hang up before getting any useful advice.

Hall was so worried, he rushed to Kohring's office but the FBI wouldn't let him in, Hall says in a court filing.

"The agents persisted in searching and questioning in excess of two hours, during which Kohring was isolated in his locked offices while his friend and personal attorney sat in the hallway, barred from entry," one of the motions says.

Near the end of the interview, after agents told Kohring he was a suspect, "they threatened him with 20 years in prison if he did not answer incriminating questions in regards to his association with VECO corporation," Browne wrote. They termed it "the Martha Stewart question." The homemaking diva went to prison for lying to investigators.

The search ended after 2 p.m., according to Kohring.

Prosecutors and the FBI dispute Kohring's claims, said Joe Bottini, an assistant U.S. attorney. They will file their detailed response in court, he said.

Kohring himself told a different story the day of the search.

"I fully cooperated and answered all their questions," Kohring said in a written statement back in August 2006. "I was told that I am not a target of the investigation and was asked not to discuss details of the interview."

Kohring wants the judge to move the trial to Washington state because of all the publicity in Alaska. His trial could take place around the same time as a special session set to revisit the state's new oil tax. Gov. Sarah Palin called the session because she said the bribery cases taint the tax legislation passed in 2006.

Two other former representatives, Pete Kott and Bruce Weyhrauch, go to trial just before Kohring. Former Veco Corp. executives Bill Allen and Rick Smith are expected to be key witnesses. They already have pleaded guilty to bribery and conspiracy.

Browne also wants the government to reveal all promises made to Allen and Smith for their cooperation, as well as to two witnesses who testified earlier this summer against former Rep. Tom Anderson, who was convicted of bribery and other charges.

A hearing on the requests to suppress evidence is scheduled for Sept. 17.

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Kott, Weyhrauch outline their corruption case defenses

TRIAL: They are accused of bribery, fraud and conspiracy.

By RICHARD MAUER
rmauer@adn.com

(Published: August 31, 2007)

The government has misinterpreted innocent behavior as a corrupt conspiracy involving officials of the oil field service company Veco, two former legislators about to go to trial say in recent court filings.

Former House speaker Pete Kott, R-Eagle River, and former Rep. Bruce Weyhrauch, R-Juneau, say they expect to show during their trial, set to start next week, that they did nothing wrong in taking money from or discussing future employment with Veco head Bill Allen and one of his vice presidents, Rick Smith.

The co-defendants gave outlines of their cases in briefs filed this week in U.S. District Court in Anchorage. The men go on trial for bribery, fraud and conspiracy on Wednesday, the second trial in the four-year federal investigation of political corruption in Alaska. In the first one last month, an Anchorage jury found former Rep. Tom Anderson, R-Anchorage, guilty of all seven counts he faced.

Though only sketches, the trial briefs give the first indications of the cases that Kott and Weyhrauch hope to make. They were filed in advance of a pretrial hearing Thursday, in which housekeeping and some jury matters were resolved by U.S. District Judge John Sedwick.

Sedwick dismissed three dozen potential jurors even before they were required to appear in his courtroom in the Anchorage federal building on C Street. Making his decision after reading their responses to a written questionnaire, Sedwick ruled that 36 of 120 potential jurors appeared to be incapable of rendering a fair verdict or would have found it too great a hardship to attend daily court sessions from 9 a.m. to 4:30 p.m.

By contrast, state court jurors typically serve a workday that ends in early afternoon, enabling them to attend to at least some of their routine daytime activities.

The lawyers estimated the trial would run for at least three weeks. That would be long enough to interfere with medical procedures planned by at least two jurors, while one college student would've been set too far back in his classes, Sedwick said. About 24 potential jurors said they had already made up their minds, had biases against politicians or were close to participants in the case, making them ineligible.

None of the jurors was identified by name, only by number and sometimes by gender. In a few cases, Sedwick and the lawyers chuckled over questionnaire responses, but the jokes weren't shared with the rest of the courtroom.

The remaining 84 jurors will be summoned to the courtroom next week, where they will be individually questioned about their backgrounds and what they think they know of the facts in the case. Despite all the publicity surrounding the federal investigation, Sedwick said he expects there to be enough unbiased -- and perhaps uninformed -- members of the jury pool to seat 12 jurors

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and at least two alternates.

In its indictment, the government says that Kott and Weyhrauch were in a pay-for-votes scheme with Allen and Smith, selling their positions on oil tax and gas pipeline legislation in 2006 for cash and jobs or the promise of future work.

But the defendants say that's false. Both assert they were pro-development legislators who didn't need to be bribed to vote in favor of the oil industry.

"Mr. Kott's intent was always to support legislation that he thought was in the best interests of the State of Alaska and in support of the almost universally agreed goal of getting a gas pipeline for the people of the state," Kott's attorney said in his trial memorandum.

Weyhrauch likewise said the evidence would show that he "had a long-standing commitment to sensible development of Alaska's resources."

One evidence of a bribe to Kott, the government asserted in the indictment, was a payment by Veco of a "fraudulently inflated" invoice of $7,993 to Kott's flooring company in August 2006.

Kott says nothing was wrong about that payment.

"Defendant Kott will present evidence at trial that $7,993 of the monetary payments received was not for his acts as a public official but for his work installing and repairing hardwood flooring for Bill Allen, a task he has performed for many politicians, business people and citizens," he said. He acknowledged in his filing that the work was never completed, but excused that failure "because this case has prevented Mr. Kott from completing the work."

Weyhrauch, in his memorandum, indicated that the plea agreements signed by Allen and Smith would be fodder in his case. The agreements, in which Allen and Smith hope to reduce their jail time by cooperating with the government, gives the two ex-Veco officials incentives "to provide helpful, even if fabricated or exaggerated, testimony to assist the government in their pursuit of Mr. Weyhrauch and others."

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Prosecutors direct new allegations against Kott

UNLAWFUL GIFTS: Prosecutors say Kott started accepting benefits from Veco officials in 1999.

By RICHARD MAUER
rmauer@adn.com

(Published: September 4, 2007)



Former Eagle River lawmaker Pete Kott is led out of court following his arraignment in Juneau last spring. Kott and Bruce Weyhrauch of Juneau have pleaded not guilty to federal charges. *(CHRIS MILLER / The Associated Press)*

As federal prosecutors prepare to begin their case this week against two former state legislators, they have unveiled new allegations that one, Rep. Pete Kott, had been taking unlawful gifts and benefits from Veco officials since 1999.

Kott, a former House speaker who ran a flooring business on the side, stored equipment from 1999 to 2006 at a warehouse owned by the oil-field service company, the government said in a recently unsealed motion. The government also alleged that Kott received $12,000 in equipment from Veco or its former chairman, Bill Allen, in 2002, and that Allen gave him $5,000 in 2004. The next year, Kott took possession of tools and other items that Veco bought in a charity auction, prosecutors said.

Those alleged actions were in addition to conduct charged in the seven-count indictment returned by a federal grand jury in Anchorage in May against Kott, an Eagle River Republican, and former Rep. Bruce Weyhrauch, a Juneau Republican. Most of the alleged illegal activity in the indictment took place between September 2005 and August 2006.

Both men have pleaded not guilty to bribery, extortion, fraud and conspiracy. Their trial begins Wednesday in Anchorage before U.S. District Judge John Sedwick.

In the days leading up to the trial, the two defendants have also been firing back at the government, challenging some of the legal theories of the prosecutors. They are disputing the government's assertions that the two men had a duty to disclose they were seeking work from Veco or Bill Allen at the same time they were voting on issues affecting Veco.

Kott also asked the judge to prevent the government from bringing up alleged prior "bad acts" that weren't specifically charged in the indictment.

Allen and former Veco vice president Rick Smith are expected to be key government witnesses. They have pleaded guilty to bribing legislators and hope to get their sentences reduced by cooperating with the authorities.

In disclosing that they intended to bring up Kott's earlier conduct to the jury, government prosecutors said they expected Allen and Smith to testify "to the general scheme to provide Kott with things of value in exchange for securing Kott's agreement to take officials acts to benefit Allen, Smith and Veco."

In one instance, Kott's attorneys said in a court filing last week that Kott was only joking when he

asked Veco for help in getting him a job at a prison the company was building in Barbados.

"These Barbados comments are made in jest, and that intent is clear from the context of the conversations, which involved drinking and joking," they said.

And Kott's talk of working as a lobbyist for Veco -- a discussion he held while still in office -- were "off-hand, brief, and are absolutely devoid of any details or even specific requests to be Veco's lobbyist or a specific promise to be hired as Veco's lobbyist," his lawyers said.

Weyhrauch, a lawyer, is accused of selling his votes for a 2006 oil-industry tax bill in return for a promise of legal work after the regular legislative session. The government said Weyhrauch should have disclosed his negotiations for work with Allen and Smith.

But Weyhrauch's attorneys said he had no duty to disclose under state law or House rules.

Kott's lawyers said as much and asserted that it's the normal House practice to require members to vote even if they have a conflict of interest. That negates the need for disclosure, they said.

Government lawyers said that position is nonsense.

"Each member of the Alaska State Legislature has an inherent duty to the public of the State of Alaska to conduct their dealings free of conflicts of interest," prosecutors said in a memorandum filed Saturday. "The existence of this duty is intrinsic to a public official's obligation to conduct his or her affairs free of improper influences." State law requires legislators to not only avoid conflicts of interest, but even the appearance of a conflict, they wrote.

Weyhrauch appeared to understand that duty, the prosecutors said, because he disclosed other conflicts even if he failed to disclose his job solicitation from Veco.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Released Anderson sting tapes unveil the federal case

'YOU WANT VOTES': Lawmaker knew lobbyist sought more than newsletter.

By LISA DEMER
ldemer@adn.com

(Published: September 4, 2007)

More than a month after former state Rep. Tom Anderson was found guilty of bribery and other corruption charges, the prosecution has released the secretly recorded conversations used to convict him.

A federal jury convicted Anderson, an Anchorage Republican, on July 9 of bribery, extortion, money laundering and conspiracy. Several jurors said afterward that Anderson's own words were the strongest evidence against him.

The Daily News and KTUU Channel 2 sought copies of the recordings and other exhibits during the trial but didn't get them at that time. The news organizations then went to court. Negotiations began with prosecutors. The records were released Aug. 23.

The recordings were made by the FBI. A government witness, former Cornell Cos. consultant Frank Prewitt, wore a wire. The recordings, along with witness testimony, gave jurors a picture of a scheme in which Anderson took bribes to do Cornell's bidding. The plan was for a Cornell Cos. lobbyist, Bill Bobrick, to create a sham political newsletter or Web site that would be used to funnel money to Anderson.

Anderson's sentencing is scheduled for Oct. 2.

Here's a quick guide to some of the key conversations:

July 21, 2004

Audio recording. Bobrick and Prewitt meet at Southside Bistro in Anchorage to discuss how to get money to Anderson. In exchange, Anderson would "be our boy in Juneau," Bobrick tells Prewitt.

July 28, 2004

Video of meeting at the Whale's Tale in the Hotel Captain Cook between Anderson, Prewitt and Bobrick. Anderson's hands are in view. When asked about his credentials to do work for Cornell, the first thing he mentions is that he is a legislator. Jurors asked for the recording to be replayed during their deliberations.

Nov. 16, 2004

Video recording of meeting between Anderson and Prewitt in Anderson's legislative office in Anchorage. Anderson acknowledges to Prewitt that he knows Cornell really isn't interested in a political newsletter. "You want votes in the Legislature, I would assume," Anderson says. He also says he doesn't want to split the next payment with Bobrick. They discuss Anderson testifying the next day at a public hearing on a juvenile treatment center that Cornell needed state

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approval to open.

Dec. 21, 2004

Video recording of meeting between Anderson and Prewitt at the Whale's Tale. Prewitt brings two checks, one made out to Anderson's consulting firm directly. "That is perfect," Anderson says.

Feb. 16, 2005

Video recording of a dinner at the Baranof Hotel in Juneau that includes Prewitt, Anderson and then-state Rep. Lesil McGuire. At the time, McGuire and Anderson were dating. They since have married, and McGuire has been elected to the state Senate. McGuire tells Prewitt, "Don't forget, I'm going to stay right up on you boys" to make sure Cornell offers rehabilitation. At one point, McGuire is distracted by a side conversation. Anderson takes the opportunity to tell Prewitt that McGuire doesn't know about his relationship with Cornell.

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Kott wants a lid put on mixup over medication given to him

TRANSCRIPT: Judge makes the exchange with lobbyist public.

By RICHARD MAUER
rmauer@adn.com

(Published: September 5, 2007)



Kott ()

Former Alaska House Speaker Pete Kott is asking the judge in his political corruption case to prevent the jury from hearing evidence that ex-Veco chief executive Bill Allen supplied him with pills -- and that the results were not exactly as planned.

According to a transcript of an intercepted telephone call between Allen and Kott on May 31, 2006, Allen gave Kott pills for sleeping and for sex. Kott got them mixed up and complained he was up all night while his "old lady" slept beside him.

The remarkable transcript was prepared by the FBI and filed in court by Kott's attorneys to show U.S. District Judge John Sedwick what they didn't want the jury to see. The document was filed under seal Tuesday by Kott's attorneys, but quickly placed in the public file by Sedwick, who ruled there was no reason to keep it secret.

"Man, I've been having a hard time sleeping," Kott complained to Allen.

"So that worked pretty good," Allen said, laughing.

"Which ones are which?" said Kott.

"Goddamn it, I told you now, just use the white ones ... to sleep," Allen reminded him. "And the the goddamn, ah, brown or whatever they are, that's for (explicit language for sex), and the other one is for sleeping."

"Yeah, I thought I was taking the sleeping pill. Took the wrong one. Still got the white one," Kott said.

"You're something else," Allen said, laughing. "You're something else, Pete."

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Jury selection in the bribery, extortion, fraud and conspiracy trial of Kott and codefendant Bruce Weyhrauch, a former state representative from Juneau, is scheduled to begin today.

But on Tuesday, after Sedwick handed the defendants two victories on other requests to exclude evidence, federal prosecutors said they may seek a rehearing or an appeal, which could put the case in limbo. They will make their argument during a conference at 8 this morning, before prospective jurors begin filing into the courtroom.

Sedwick ruled Tuesday that the government could not claim that Kott and Weyhrauch were required to disclose to fellow legislators or the public that both were seeking employment from

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Veco while they were voting on bills in which Veco had an interest. Alaska law has no such disclosure requirement, he said, though he also noted state law forbids legislators from voting when they face certain kinds of conflicts of interest.

Sedwick also threw out a request by federal prosecutors to bring in evidence of bad conduct by Kott as far back as 1999, when he began storing material at a Veco warehouse for his flooring business. The government also said Kott improperly received $12,000 in equipment from Bill Allen or Veco in 2002, a $5,000 payment in 2004, and a $1,000 payment made by Veco in 2003 to a Florida beauty pageant corporation to benefit one of Kott's relatives, as requested by Kott. The Eagle River Republican was speaker of the House in 2003 and 2004.

Sedwick said those allegations happened too far in the past to be relevant to the charges, which "mainly focused on legislative activities which took place in 2006."

One of Weyhrauch's attorneys, Doug Pope, said the rulings were significant victories for the defense. But the government may seek to overturn Sedwick's ruling on disclosure, it said in a filing Tuesday.

Bill Allen and former Veco vice president Rick Smith are expected to be key government witnesses. Both have pleaded guilty to bribing legislators and are cooperating with the government.

The evidence of Allen's pill dispensing to Kott was recorded on a wiretap of Allen's cell phone while the Legislature was in special session over oil taxes. Kott's lawyers say the conversation, and another between Kott and Smith about the "Corrupt Bastards Club," would be prejudicial.

"The use of sleeping pills and sexual enhancement pills will undoubtedly negatively impact the jury's opinion of Kott, particularly if he was taking those pills without a proper prescription," his attorneys argued. "It creates an impression of general law-breaking behavior. The evidence could also be used to suggest Kott is a person who pops pills, which is a very negative attack on character."

They go on to say: "The part of the conversation relating to accidentally taking the sexual enhancement pills is quite lewd. The tone and content of these conversations will likely impact the jury's opinion in a very negative way."

Three pages of Kott's May 29, 2006, conversation with Smith, also on a tapped cell phone, concern Kott's efforts to obtain 20 Veco hats embroidered or printed with "CBC." The letters refer to the Corrupt Bastards Club, an informal group of legislators who received large contributions or employment from Veco.

"Hey. How many of them hats you want CBC on the back?" Kott asked Smith.

After trying to figure out what Kott was talking about, it finally clicked, and Smith said 15 or 20.

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"We gotta figure out who the club is," Smith said.

"Yeah," said Kott.

"Gotta get with Hawker," he said, referring to Rep. Mike Hawker, R-Anchorage.

"Yeah, I know," said Kott. "Yeah, the 20 might be a lot."

"Well, I mean, but then, you know, we need some for Bill (Allen) and, you know, and s--- like

that," Smith said.

Hawker said Tuesday he had no idea why Smith was referring to him, but he knew about the "club."

"There was nothing nefarious involved," Hawker said. He was among a group of legislators, including Kott, and others who were joking one night in the bar at the Baranof Hotel in Juneau. A newspaper column had questioned whether campaign contributions from Veco to lawmakers created undue influence over the state's political process.

The joke was they were all part of some kind of "corrupt bastards club," Hawker said, and part of the joke was some of them were writing an increase in state oil taxes.

"At the time it was just gallows humor at best," Hawker said.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345. Reporter Sean Cockerham contributed to this story.

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Legislators' corruption trials split for appeal

Kott's hearing continues, but Weyhrauch's stalls on federal appeal

By RICHARD MAUER and LISA DEMER
Anchorage Daily News

(Published: September 6, 2007)

A federal judge Wednesday ordered separate trials for two former Republican legislators to allow jury selection for one to move forward while the government appeals an earlier ruling favoring the other.

The decision on the one-time co-defendants means the bribery, extortion, fraud and conspiracy case against Pete Kott, the former House speaker, will go ahead with opening arguments scheduled for Monday. Jury selection started at midmorning Wednesday and will continue today.

But the trial of Bruce Weyhrauch, a former representative from Juneau, will await the outcome of the government's bid to the 9th U.S. Circuit Court of Appeals in San Francisco, and perhaps longer. Weyhrauch's attorney, Doug Pope, said he'd try to take the case to the U.S. Supreme Court if the 9th Circuit reverses the decision in Anchorage.

U.S. District Judge John Sedwick made his ruling on separating the trials in a hastily called hearing that began at 8 a.m. Wednesday, just before jury selection was to begin. With more than 80 potential jurors from around Southcentral Alaska cloistered in a meeting room across the lobby and down a hall, Nicholas Marsh, a trial attorney from the Justice Department's Public Integrity Section, told Sedwick that his superiors in Washington agreed that an appeal of an earlier ruling was justified.

They are challenging a ruling by Sedwick on Tuesday that said the government couldn't present evidence that Weyhrauch and Kott were duty-bound to report they were seeking employment with Veco, the politically active oil-field service company, in 2006, when they were voting on oil-tax legislation heavily lobbied by Veco's chair, Bill Allen. Sedwick held that state law had no such requirement.

In the Wednesday morning hearing, Marsh told Sedwick the government still had ample evidence against Kott and was prepared to go to trial. But for Weyhrauch, a lawyer who never landed the Veco job, the evidence is crucial, Marsh said.



Former Rep. Pete Kott, center, flanked by attorneys, leaves the coffee shop in the Federal Building and U.S. Courthouse in Anchorage during a pause in his corruption trial Sept. 5, 2007. The bribery, extortion, fraud and conspiracy case against Kott, the former House speaker, will go ahead with opening arguments scheduled now for Sept. 10, 2007. *(BILL ROTH / Anchorage Daily News)*



Former Rep, Bruce Weyhrauch was accompanied by his wife, LuAnn, in the Federal Building and U.S. Courthouse in Anchorage Aug. 5, 2007. His lawyer said Weyhrauch's day in court may be delayed for more than a year by the appeal. *(BILL ROTH / Anchorage Daily News)*

At issue is whether Weyhrauch used mail fraud to cheat Alaskans of honest services as a state

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legislator. Pope said Weyhrauch did nothing wrong in sending a personal advertisement for legal services to Veco.

With the trial set to begin, expenses for lawyers and the court adding up, and potential jurors cooling their heels, Marsh proposed that Sedwick revisit a request made in August by Weyhrauch's attorneys to split the trial. At the time, Pope argued that the stronger evidence against Kott could prejudice the jury against his client. The government opposed the motion then, and the judge kept the defendants together.

But now, Pope told Sedwick, the situation has changed. He was fully prepared to go to trial. It would be an undue financial and emotional burden on Weyhrauch and his family to delay any longer. He argued the government's points of appeal were thin and unlikely to succeed.

But Sedwick said federal appeals courts around the country were split on the disclosure issue, while the all-important 9th Circuit, governing courts in Alaska, "hasn't spoken." Sedwick said he followed a line of reasoning adopted by the 5th Circuit in New Orleans.

Jim Wendt, Kott's attorney, opposed the split, mainly because he had prepared a case theory and line of questioning for witnesses based on having a co-defendant. The government agreed to delay opening arguments until Monday, and promised to tell him by Friday whether Allen and former Veco vice president Rick Smith would be called to testify and to reveal the approximate place in the trial they would take the stand.

Following a 90-minute recess to review the law and rulings in related cases, Sedwick called the parties back to his courtroom and announced he would split up the co-defendants so the government could pursue the appeal. He said the government clearly had that right.

After packing up boxes of documents on a cart and clearing the courthouse, Pope stopped to talk with reporters and expressed outrage at the government. He said prosecutors realized late in the pretrial phase that their case was weak and responded by inventing a new case theory that relied on an improper application of federal law.

He said Weyhrauch's day in court may be delayed for more than a year by the appeal.

Marsh said it would be inappropriate to comment on Pope's out-of-court criticism.

Back in the courtroom, potential jurors began filing in to be questioned about their knowledge of the now-smaller case. The lawyers on both sides introduced themselves, and so did Kott, who represented Eagle River in the House.

"I'm Pete Kott, and I'm the defendant in the case," he said, smiling at the packed room of jurors.

Most of those with strong opinions already had been weeded out through written questionnaires.

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Sedwick, and sometimes the lawyers, asked detailed questions of about half those remaining on Wednesday to determine whether any were too biased to be fair jurors or had other reasons not to serve.

One had just landed her first full-time job in a year, so she was allowed to go home. A couple of people had medical issues. One is leaving Alaska this month. Another is married to a former contract manager at BP and socialized with Allen. All left the courtroom.

Some were close calls. One man told the judge he thought he could be fair "for the most part."

When Sedwick pressed him, he said part of him struggled with the politics of oil in Alaska. The judge sent him home.

While a number of the prospective jurors had a general idea that the matter before them was a bribery case, some said they didn't pay attention to politics. Others followed the political corruption cases closely. Some told the judge they were most interested in trouble faced by U.S. Sen. Ted Stevens and his son, former state Senate President Ben Stevens. Neither has been charged with a crime, but Ben Stevens is accused of being part of a conspiracy that included Kott, Weyhrauch, Allen and Smith.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Bribery trial features Kott's telephone calls

By LISA DEMER
ldemer@adn.com
(Published: September 11, 2007)



Former House Speaker Pete Kott arrives at the Federal Building and U.S. Courthouse on Sept. 10, 2007, with daughter Pamela Kott on the first day of his trial for bribery, extortion, fraud and conspiracy. *(BILL ROTH / Anchorage Daily News)*

In a series of secretly recorded telephone calls, former state Rep. Pete Kott joked with Veco executives about drinking and women, but assured them he was serious about one thing: getting a gas pipeline.

"I'm going to get this f-----g gas line done so I can get out of here," Kott told former Veco chief executive Bill Allen in a Jan. 10, 2006, cell phone conversation.

Testimony began Monday in Kott's public corruption trial.

Jurors heard recordings of nine telephone calls and watched one videotaped meeting between Allen and former Veco vice president Rick Smith.

In his opening statement, prosecutor Nicholas Marsh told jurors that Kott betrayed the public trust and sold his legislative office to oil field services company Veco. In return for money and job promises, he pushed an oil tax favored by the industry.

Kott even says on one of the tapes, "I sold my soul to the devil," Marsh said.

Kott's own words will be used against him, Marsh said. It's the same tactic prosecutors used to convict former Rep. Tom Anderson in July of seven federal corruption charges.

But the defense told jurors the government twisted the facts. Kott was just a blue collar Republican working hard to get what most Alaskans wanted, a gas pipeline, said Jim Wendt, one of Kott's defense lawyers.

There's nothing illegal about working with lobbyists or others toward a shared goal, and that's all Kott was doing, Wendt said. "If he is guilty of anything, he is guilty of working to get a pipeline."

Marsh warned jurors they would hear "downright offensive" language. But Wendt said it was just "down-to-earth talk."

An FBI agent from Cincinnati, Steve Dunphy, who monitored and recorded some of the action in Suite 604 of Juneau's Baranof hotel, testified all afternoon about various recordings. Dunphy said he volunteered after a request for help with the Alaska investigation went out agencywide.

The listening began with a wiretap on Smith's cell phone in September 2005 and branched out from there to wiretaps on Allen's cell and home phones, and then the bug planted in the Baranof

suite, Dunphy testified.

In various phone calls played for the jury, Kott's familiarity with Allen and Smith is remarkable. He calls them Uncle Bill and Uncle Rick. He sounds tipsy at times. Several times, Kott brings up the idea of working as warden at a prison in Barbados that Veco was building.

"I just wanna be a warden," Kott tells Smith in a Sept. 29, 2005, telephone call.

Wendt told jurors in his opening statement that the Barbados prison gig was a running joke with Kott, that he had heard about topless women on beaches there. But Marsh told jurors that even if Kott was kidding about the warden's post, he clearly wanted a job with Veco when his work in the Legislature was done.

As the 2006 legislative session got under way, Kott fretted to Allen on the phone that things weren't going well and Allen needed to get to Juneau.

Allen made it clear that he thought little of House Speaker John Harris, who won the post in 2005 after Kott was ousted in an internal coup.

"About the only ones that I can trust is you and ol' Ben Stevens," Allen tells Kott in a Jan. 10, 2006 call. Stevens is the former state Senate president. He hasn't been charged.

In one lengthy call between Allen and Smith on Feb. 20, 2006, Allen goes on a tirade about Veco's new young lobbyist, Kris Knauss. Allen was angry that Knauss was using Allen's own well-cultivated influence with Kott as if it were his own, turning it to his advantage with Gov. Frank Murkowski's chief of staff, Jim Clark.

"Well f---. I put more money into Pete Kott than he's ever even thought about," Allen sputtered at one point.

In a March 4, 2006, videotaped conversation in Suite 604, Allen and Smith said they would do whatever they needed to get the pipeline and an oil tax favored by the industry through the Legislature. Smith said they may need to "get dirty."

The room is dimly lit and it's hard to make out their faces. But their voices are clear.

"They got dirty and they crossed the line," Marsh told jurors.

Later in the conversation -- in a part not played in court but discussed by lawyers and the judge -- the topic turned to a faltering effort at the time to sell Veco to an Australian firm. Allen was upset because former Veco president Pete Leathard had apparently boasted to the Australians that Veco was in the business of bribing state legislators.

U.S. District Judge John Sedwick agreed with prosecutors that only a portion of the conversation needed to be played for jurors.

In the same conversation, Allen told Smith that Veco's clients need to know what it's doing in Juneau to pressure legislators. He refers to "the big wheels" with BP and Exxon and more.

The case against Kott is the first to go to trial involving Veco, a company that was hugely influential in Juneau for many years. Allen and Smith have both pleaded guilty to bribery and other charges and resigned their positions with Veco.

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As of Friday, Veco no longer exists. It's been sold to the Colorado-based engineering firm CH2M Hill.

Kott, a former house speaker from Eagle River who served 14 years in the Legislature, is being tried on charges of bribery, conspiracy, extortion and wire fraud.

Several dozen people gathered in the federal courtroom for opening statements, including defense lawyers, prosecutors, FBI agents and news reporters, but the crowd cleared out by the afternoon. Whistleblower Ray Metcalfe stayed.

Marsh told jurors that Kott, who ran a hardwood flooring business, is accused of accepting money or things of value three times from Veco executives, plus the promise of a job. The specific accusations, as laid out by Marsh:

• Kott, in need of cash during his 2006 campaign, sent Allen a fake bill for an extra $7,993 in flooring work.

• Veco paid $2,750 for a political poll by David Dittman to see how Kott was faring with voters during the campaign. Kott lost in the primary.

• Kott accepted $1,000 from Allen to reimburse Kott for a contribution he made to then-Gov. Frank Murkowski's re-election bid.

All of that is misconstrued or overblown, Wendt told jurors. Kott received no personal benefit from any of it, the defense lawyer said. He didn't even know about the poll beforehand.

The only thing Kott did wrong was accept the $1,000, but that was just to reimburse him for the contribution, Wendt said.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

The Alaska political corruption investigation

The trial of former Eagle River Rep. Pete Kott is part of a broad investigation into public corruption focused on state and federal officials, lobbyists and others. The investigation is being led by the FBI and Department of Justice and has resulted in charges against four former state legislators, two former executives of the Veco Corp., and a lobbyist for a private prison company.

Kott is charged with bribery, conspiracy, extortion and wire fraud for taking money and the promise of a job from Veco executives for supporting an oil tax measure favored by the petroleum industry.

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Kott trial jurors hear the boasts and the despair

TAPES: Behind-the-scenes look at oil-tax legislation plays out.

By LISA DEMER
ldemer@adn.com

(Published: September 12, 2007)

Prosecutors in the public corruption trial of former Rep. Pete Kott are giving a rare, close-up view of a good ol' boys club of insiders and deal makers that operated on the fringes of the Alaska Legislature.

Much of the action being detailed in the courtroom takes place in Suite 604 of Juneau's Baranof Hotel, where former Veco executives Bill Allen and Rick Smith plotted with Kott on how to get the industry's preferred version of a new oil tax and a gas pipeline proposal through the Legislature in 2006.

Scene after scene played out for jurors Tuesday in U.S. District Court as a federal prosecutor methodically introduced dozens of secretly made audio and video recordings.

Grainy videos captured through an FBI-planted bug in the Veco suite show the men chummy, drinking and boastful at times of seeming victory, then full of despair when legislation didn't go their way. Numerous calls intercepted on Allen and Smith's cell phones also were played for jurors.

Kott is accused of bribery, conspiracy, extortion and wire fraud. Prosecutors say he was paid off by Veco through a fake $7,993 invoice for his hardwood flooring business, a $2,750 political poll and $1,000 in cash.

Kott's defense lawyers say there's nothing illegal about working with lobbyists and others for a common end, and that's all Kott was doing.

Kott, a Republican and former House Speaker from Eagle River, lost power in a coup that put John Harris of Valdez in the speaker's chair, but still found ways to twist arms to help Veco.

On March 26, 2006, while the Legislature was considering a new oil tax system, Kott called Smith on his cell phone. Kott was about to head over to the Prospector Hotel for drinks to celebrate Kodiak Rep. Gabrielle LeDoux's birthday. He urged Smith to come too. Kott had been trying to win her support on the oil tax.

He joked with Smith that he was later going to the opera -- Conoco Phillips had bought 50 seats -- then admitted he wasn't that cultured.

Kott told Smith he was putting pressure on state Sen. Fred Dyson, another Republican from Eagle River. He had voted that day to hold up an anti-abortion bill sponsored by Dyson, who cares a lot about the issue.

"He wants my vote, he better square up on oil taxes," Kott told Smith.

Smith, who was a Veco vice president, and Allen, Veco's influential chief executive, both are

awaiting sentencing after pleading guilty to bribery and other charges involving four former state lawmakers, including Kott and Rep. Bruce Weyhrauch, R-Juneau. They have resigned their posts and are cooperating with prosecutors. Veco last week was sold to CH2M Hill.

The tax rate they sought became intertwined with the proposed gas pipeline. Prosecutors say a gas line proposal, which never cleared the Legislature in 2006, could have been enormously profitable to Veco.

By May 7, 2006, the Legislature was reaching a climactic showdown over the Petroleum Profits Tax, known as PPT.

Allen was calling Kott on the House floor to give him instructions on how to vote, according to a court paper filed in Allen's case.

Just after 8:30 that night, Kott was on the phone with Smith. Weyhrauch had voted the wrong way on an amendment that would raise the proposed tax to 21.5 percent of profits, up from 20 percent.

The amendment passed, but barely, on a 21-19 vote. Kott told Smith they could ask for the vote to be rescinded.

An hour later, Kott reported back. The strategy worked. The tax rate was back at 20 percent.

"Way to go, partner," Smith told Kott.

At current oil prices, every 1 percent change in the tax rate means as much as $150 million more in taxes, according to Dan Dickenson, the state's former director of the oil and gas audit division, who testified Monday.

By 11:30 that night, Kott was in Suite 604, celebrating with Smith, Allen and others.

As the men drank and clinked glasses, Kott boasted that he told the minority leader, then-Rep. Ethan Berkowitz, that he had to have some of his Democratic votes. It was unclear what Kott said to Berkowitz or even whether Berkowtiz swung any votes. But Kott sure made out like it happened his way.

"I outsmarted the fox," Kott told the room. Later he said it was a "sucker punch" and said "I use 'em and abuse 'em."

Reached Tuesday, Berkowitz said he doesn't know what "sucker punch" Kott was referring to. "I counted my votes accurately that day," he said. "I knew where they were and I held them."

Kott played the tax rate battle like a hand of political poker, holding at 20 percent, which is what the oil companies wanted. He said on tape that if not for Allen, he'd be supporting a 30 percent tax.

The entire PPT oil tax measure died two days later at the end of the session, as the House and Senate failed to agree on the bill.

The final tax, at a rate of 22.5 percent, wasn't adopted until August 2006, after two special sessions.

Also on Tuesday, prosecutors played for jurors a secretly recorded July 12, 2006, cell phone call between Smith and former state Sen. Jerry Mackie.

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Mackie, who became a lobbyist, at the time was also partner in the consulting firm Northwest Strategies, which was working on Kott's campaign.

They talked about a poll being done by Dave Dittman for Kott's campaign. Prosecutors say Veco paid for it.

In the phone call with Smith, Mackie said he had let Kott know that Smith and Allen had agreed to help out with the poll. Kott said that was great, Mackie told Smith.

Defense lawyer Jim Wendt protested that recording, and a couple of others, being played for jurors. But prosecutor James Goeke told U.S. District Judge John Sedwick that Mackie was an unindicted co-conspirator, which changes the rules on what evidence can be allowed.

Reached Tuesday evening, Mackie said he knew about the poll, but was not part of any bribery conspiracy with Veco. His lawyer, Jeff Feldman, said it was "an unfortunate label."

Mackie said the FBI interviewed him more than a year ago on general matters involving Allen and Smith and never even asked him about the poll.

Also part of the prosecution's case Tuesday was a conversation involving former state Sen. Ben Stevens.

Stevens was a paid Veco consultant at the same time he was a senator. Yet while Kott was claiming success with the oil tax in the House, Stevens was struggling to get an acceptable measure through the Senate.

Prosecutors played a recording of a March 5, 2006, phone call between Stevens and Allen in which they assessed various other legislators.

Stevens expressed disdain for Fairbanks Rep. Jay Ramras, who his old rival, Sen. Gene Therriault, helped get elected.

"One of those (expletive) salesman kind of guys."

"Amen, amen," Allen responded.

More secret recordings are expected to be played for jurors this morning. By afternoon, Allen could be on the stand.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Reporter Tom Kizzia contributed to this story. FBI - Stevens-976

Case at a glance

The Alaska political corruption investigation

• The trial of former Eagle River Rep. Pete Kott is part of a broad federal investigation into public corruption in Alaska involving state and federal officials, lobbyists and others.

• Kott is charged with bribery, conspiracy, extortion and wire fraud for taking money and the promise of a job from Veco Corp. in exchange for supporting an oil tax measure favored by the petroleum industry. He is fighting the charges.

• For more on the investigation, including an interactive timeline and overview, go online to adn.com/news/politics/fbi

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Allen counted on having friend in Legislature

He testifies that he gave money, favors to oil-tax ally in Juneau

By RICHARD MAUER and LISA DEMER
Anchorage Daily News

(Published: September 13, 2007)



Ex-Veco chief Bill Allen walks outside the federal building courtroom during Pete Kott's trial Wednesday Sept. 12, 2007, where he spent the better part of three hours outlining his working relationship with the then-state representative. *(BILL ROTH / Anchorage Daily News)*

More than a year after he emerged as the central figure in the Alaska corruption investigation, former Veco chairman Bill Allen at last took the witness stand Wednesday in the trial of former House speaker Pete Kott and began recounting his version of the last three decades of oil politics.

Along the way Allen, the government's chief witness, told of the money, jobs and favors he dispensed to Kott, a man he described as a friend and reliable ally but who could wind up in prison on Allen's testimony.

As word of Allen's impending visit to the courtroom got around town at lunchtime, the federal courtroom of U.S. District Judge John Sedwick began to fill, eventually drawing more than 60 people. Some were lawyers or paralegals working for other potential defendants or witnesses. The back row held gray-haired remnants of the liberal Democrats who flexed so much power in Juneau in the 1970s before oil-friendly Republicans made them largely irrelevant, while up front sat a conservative talk show host who fought Veco's efforts a few years back to pay for government out of the Permanent Fund. Other spectators just wanted a glimpse of history.



Former Alaska state House Speaker Pete Kott, right, walks through the federal court building past a row of green lights in Anchorage on Wednesday with his daughter, Pam Kott. *(AL GRILLO / The Associated Press)*

But the real business of the day was what Allen told the jury about Kott, a 14-year veteran of the state House from Eagle River. Allen and one of his vice presidents, Rick Smith, pleaded guilty to bribery and conspiracy and are hoping to get reduced sentences by cooperating with federal authorities.

Over nearly three hours of testimony that will resume this morning, Allen talked about overpaying a flooring job done by Kott by more than $7,000 and of scheming to get at least some of that money to Kott's son so that he could work on Kott's 2006 campaign, when a poll showed he was in surprising trouble. Even the poll itself was secretly paid for by Veco, which if true would be a hidden -- and illegal -- campaign contribution by the company to Kott.

"Why were you trying to get money to Pete Kott for his son's help in the campaign?" asked assistant U.S. Attorney James Goeke.

"He was going to run again and he needed his son to help him," Allen said.

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"What would his son be doing otherwise?" asked Goeke.

"A job," Allen said. "He can do the floors as good as Pete."

"So back on July 31, 2006, do you know if Mr. Kott was going to be able to go to work on the campaign and do other work?" continued Goeke.

"He couldn't afford it," said Allen. "He has a family to take care of."

Before announcing he would run again, Kott had been making noises about retiring and had talked with Allen about work. Some of those conversations were recorded by the FBI.

In one such, on June 1, 2006, Kott joked with Allen that he wanted to be warden of the prison Veco was building in Barbados, "especially with all the women there on the beaches." He said he'd do anything, even pass out beach towels.

Allen testified that he knew Kott was joking about that. But Kott also said on the recording that he wanted to be a lobbyist.

"For Veco?" Goeke asked in court Wednesday.

"Yes," Allen answered.

Veco lobbyists made $6,000 to $12,000 a month, Allen testified. And he would have hired Kott, he said.

But even as he provided the evidence about Kott, and along the way implicated his own company and its executives in an illegal campaign contribution scam, Allen never once acknowledged that a specific action by him or Kott broke the law.

While Allen, 70, has never been shy about appearing at public events and private fundraisers over the last quarter century as his political power grew, he has only rarely engaged in public speaking. His speech has been impaired since 2001 when, riding without a helmet, he crashed his motorcycle. On the witness stand, he said about a quarter of the part of his brain that controls speech died after the accident, and, like some stroke victims, he has trouble picking out words. He also has trouble hearing, and a court headset he wore while testifying proved balky at times.

At one point, he started to describe what the oil companies wanted most out of Juneau, then had to pause.

"Wait, I got to find this word," he said. He closed his eyes, put his head in his hands and worked something over in his mind for what seemed a small eternity while the courtroom, in silence, waited for him to speak. FBI - Stevens-979

"Certainty!" he finally exclaimed. "They wanted certainty." In other words, they wanted to be sure that taxes would not be raised before they would agree to build a natural gas pipeline, the thrust of the efforts on the so-called PPT -- petroleum profits tax -- that tied the 2006 Legislature in knots.

Allen took the industry lead in promoting a low profits tax -- a much bigger effort than the producers themselves were making. FBI-intercepted telephone calls and conversations at a hotel suite in Juneau show that Kott and Senate President Ben Stevens were his two most helpful soldiers.

In one conversation from June 8, 2006, played while Allen was on the stand, he recalled a discussion he had with the head of Conoco Phillips in Alaska, Jim Bowles, about the profits tax.

"I said between Pete Kott and Ben ... they won't have, they won't even have their fingerprints on the (bill)." It seemed Allen was referring to the "fingerprints" of the producers, but his remarks were ambiguous enough that they could have been those of Stevens and Kott.

As the tapes were played, Allen testified he had no idea that his phones were taped or that a secret camera had been placed in his hotel suite in Juneau by the FBI under a court order.

"If I knew that, I wouldn't have said all this stuff," Allen said, drawing smiles from the jury and chuckles around the courtroom. He learned he was the target of the Justice Department's Public Integrity Section on Aug. 30, 2006 -- a day before the FBI executed a series of raids on legislative offices.

Allen emerged as one of the industry's biggest promoters in the 1980s, when Veco began a long run as a reliable source of campaign contributions, mainly for Republicans. At the time, Allen testified, his main political hand was the former state senator and trooper head Ed Dankworth, sometimes referred to as the "21st Senator" for his efforts at organizing the Senate into blocs long after he left the body.

Allen said he and Dankworth had a thorough falling-out after he bought the Anchorage Times in 1989. One of his biggest financial supporters in his journalism venture was Chuck Robinson, the long-time executive of the telephone company ACS, Allen said. Dankworth lobbied for ACS' chief rival, GCI, and Dankworth refused Allen's pleas to switch.

"If you can't do that, Dankworth, I don't want you to be with me," Allen recalled telling his onetime friend.

Allen was born in Socorro, N.M., and left for Oregon with his family shortly after World War II, when he was 8 or 9. He missed several years of school while his family followed the fruit crops.

"We were pickers, I guess."

He quit school for good as a high school sophomore, then learned to weld, a skill that brought him to Alaska in 1968. With another oil field worker named Wayne Velti, who founded VE Construction, he worked the Cook Inlet rigs for Arco, eventually taking over the company and shortening its name. In the last few years, it had annual sales of $1 billion and 4,000 employees worldwide, about half in Alaska, he said. Last week, the company was taken over by CH2M Hill.

Find Richard Mauer at adn.com/contact/rmauer or call 257-4345. Find Lisa Demer at adn.com/contact/ldemer or 257-4390.

ONLINE AUDIO: Listen to surveillance recordings submitted as evidence in the Pete Kott trial at adn.com/fbi

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Pete Kott's corruption trial defense emerges

BILL ALLEN: Ex-Veco chief says he bribed the defendant, Kohring and Ben Stevens.

By LISA DEMER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 14, 2007)

For much of Thursday at Pete Kott's corruption trial, defense lawyer Jim Wendt tried to chip away at the story being told from the witness chair by former Veco chief executive Bill Allen.

Kott, a Republican and former House speaker from Eagle River, is accused of pushing new oil tax legislation on behalf of Veco that was also favored by North Slope oil producers. In exchange, prosecutors say he got nearly $9,000, a political poll and the promise of a job.

Wendt kept pushing to get him to say Allen's promise of a job didn't really mean much or that the money Veco executives gave to Kott was legitimate.

Allen, 70, though weary and showing the strain at times after two days on the stand, didn't go along with the defense.

He is a key prosecution witness in the trial of Kott, a man whom Allen called a close friend, almost like family.

Allen told jurors he already has admitted his guilt in a conspiracy. He testified that he pleaded guilty to bribing three former legislators: "Pete Kott, Vic Kohring and Ben Stevens."

Kohring, a Republican from Wasilla who served in the House, is awaiting trial. Stevens, a Republican and former Senate president from Anchorage, hasn't been charged. Allen didn't mention a fourth legislator, former state Rep. Bruce Weyhrauch, whose corruption case was split from Kott's just before the trial began.

Allen testified that he didn't always tell FBI agents who were investigating corruption among legislators what they wanted to hear, but it was the truth.

"I worked real hard trying to make the truth and everything ... to be fair," Allen said.

Allen said that he expected to be sentenced to 10 to 11 years in prison but that no promises had been made. "Whatever happens to me happens." FBI - Stevens-982

He was confronted by FBI agents on Aug. 30, 2006, while going to breakfast with Sen. Fred Dyson, who unknown to Allen was helping in the investigation.

Allen said he agreed to cooperate to save his three grown children from being indicted and to spare Veco, which he built from its roots on Cook Inlet rigs to an international company with more than 4,000 employees. Veco was sold last week to CH2M Hill.

From the FBI headquarters in downtown Anchorage that first day, Allen called Kott. The FBI, which was recording the call without Kott's knowledge, wanted to know more about a $7,993 payment

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from Allen that apparently was destined for Kott's son.

Prosecutors say the money was paid to Kott through an inflated invoice from his hardwood flooring company.

"Have you got your son took care of?" Allen asked Kott in the call, which earlier had been played for jurors.

Yeah, Kott answered.

"Did Rick get it done for you?" Allen asked, referring to former Veco vice president Rick Smith, who also has pleaded guilty to bribery and other charges.

Yeah, yeah, Kott answered.

"How did he do it or -- can you tell me?" Allen went on.

Kott reminded Allen that it was his check.

"Remember we talked about three, four or five weeks ago just add on X amount -- I forgot what it was exactly -- to your bill or something," Kott told him.

Prosecutors have played dozens of secretly made recordings for jurors that expose crude language, drinking and political deal making in which, they say, Kott was corrupted by Allen and Smith.

On Thursday, defense lawyer Wendt asked Allen if the $7,900 was an advance for future flooring work, not a bribe.

Allen said he didn't know anything about any future work. The money, he said, was for Kott's son, Peter Jr., to take time off from the flooring business and help out on his father's campaign.

The defense appeared to score a point when Wendt pressed Allen on whether he had offered Kott a lobbying job "with Veco."

Allen said in at least one of the recorded conversations that Kott would be a lobbyist. But when Wendt asked him to find on the transcript where he specifically promised that Kott would be a lobbyist for Veco, he couldn't.

"In my mind I told him he would be a lobbyist with Veco," Allen said, adding he believed that was Kott's understanding as well. Another issue concerns $1,000 cash that Allen handed to Kott in Suite 604 of Juneau's Baranof Hotel. Many of the recordings were made there.

Wendt asked Allen if that wasn't just reimbursing Kott for money he had contributed to Gov. Frank Murkowski's campaign.

Allen said he didn't owe Kott anything for that. But Wendt repeatedly asked if the $1,000 was payback for the contribution.

"Yeah, but he didn't ask for it. I just gave it to him ... goddamn," a frustrated Allen said on the witness stand.

Wendt contends Kott didn't always do Veco's bidding and was on the opposite side of matters such as workers' compensation.

FBI - Stevens-983

But Allen testified he didn't remember if there was ever any issue where he and Kott split.

Allen said he was friendly with a few legislators, all Anchorage Republicans, including Stevens and state Reps. Mike Hawker and Norm Rokeberg.

He was especially close only to Kott and state Sen. John Cowdery, he said.

Kott was a drinking buddy who lived with him for a few months in 2005 to be closer to flooring jobs, Allen said. He related to Cowdery because both were contractors -- Cowdery used to run an excavation business -- and liked to talk shop.

Both regularly showed up at his downtown Anchorage home unannounced. He welcomed it. Cowdery would say "I'm at the front door," Allen told jurors.

Wendt asked Allen about Veco's hiring of legislators as consultants. Allen talked about two, Stevens, and former state Rep. Tom Anderson, R-Anchorage. Anderson was convicted in July of seven federal charges in another corruption case, but the allegations didn't involve Veco.

Allen said another executive hired Anderson and he only found out later.

"He was supposed to be like a lawyer," Allen said. But he admitted "I don't know why we really hired him."

Allen told jurors he talked with Kott about eventually going to work for Veco -- but after he was out of office. He said Veco shouldn't hire sitting legislators and it shouldn't have happened with Anderson.

As to Stevens, he started consulting for Veco in 1995, six years before he was appointed to the Senate, Allen said. "He was real good at details. He was like Pete. He would work," Allen said.

By the time Stevens was in the Senate, he had four kids, Allen noted. "How am I supposed to say 'now that you're a senator, Ben, I can't give you more money,' " Allen testified. "I couldn't do that."

One strange moment happened at the end of Friday's testimony. Wendt asked Allen if he had threatened to have his nephew, Dave Anderson, killed for being "involved in blackmail." Allen said there was blackmail but that he never threatened to have his nephew murdered.

"I told him I'd kick the s--- out of him," Allen said on the witness stand.

The trial resumes today with Allen still on the stand. Smith also is expected to testify.

The trial is expected to take much of next week. FBI - Stevens-984

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Kott trial exposes Veco political maneuvering

PROSECUTION RESTS: From pig roasts to political polls, former V.P. shines light on firm's spending.

By RICHARD MAUER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 18, 2007)

Former Veco vice president Rick Smith was at the center of company fundraising, whether it was organizing the annual pig roasts for Rep. Don Young or one of the many golf tournaments where he turned checks into cash under a special arrangement with the Buckaroo Club in Spenard known as the "Phony Account."

Smith concluded two days of testimony Monday as a government witness in the federal corruption trial of former House Speaker Pete Kott, R-Eagle River. The government later wrapped up its case, with Kott's attorneys expecting to present their defense starting this morning and running through Thursday.

After the jury was dismissed for the day, U.S. District Judge John Sedwick rejected a defense motion to throw out the case against Kott. He said the government had provided ample evidence to support its charges of bribery, extortion and conspiracy.

The day also provided an inside look into how Veco apparently broke state law by hiring Anchorage pollster David Dittman to conduct a poll for Kott in 2006. Dittman, who took the stand after Smith, said he suspected the Veco-paid poll amounted to an illegal campaign contribution from the company to Kott, but decided it wasn't his business to worry about it.

Until it was sold 11 days ago on the eve of Kott's trial, Veco was an Alaska-based oil field services company. Its former chairman, Bill Allen, was among the most politically active businessmen in the state.

Kott's trial resumed Monday with Smith on the witness stand under cross-examination by Jim Wendt, the chief defense counsel.

Smith began work at Veco in 1989 as a logistics expert in Veco's cleanup of the Exxon Valdez oil spill. Rising to vice president of community and government affairs, Smith said his most recent annual salary was $165,000 plus a bonus ranging from $20,000 to $80,000. He was also illegally reimbursed for campaign



Former Veco Corp. executive Rick Smith, left, walks from a federal courtroom on Sept. 17, 2007, during a break in his testimony in the federal corruption trial of former Alaska House Speaker Pete Kott. *(AL GRILLO / The Associated Press)*



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contributions totaling $20,000 to $50,000 a year, he said.

The corruption investigation, centered on Veco and its relationships with politicians, brought an end to his employment in May, but his severance package was worth $384,000. Veco continued to pay his legal bills until CH2M Hill bought the company. He settled for a one-time lump-sum payment of $500,000 for lawyers but can keep any money left over, he said.



FBI hidden surveillance: "I sold my soul to the devil..." That's what former Rep. Pete Kott tells former Veco executives Bill Allen and Rick Smith in FBI surveillance videos shown to the jury at Kott's corruption trial in federal court. *()*

Smith learned he was busted on Aug. 31, 2006, the day after Allen agreed to work for the government. Smith said he got an early morning call from Allen, who asked him to come to his home as soon as he could.

He got to Allen's door about 9 a.m.

"I got some people you need to talk to," Allen said, then left. Two FBI agents approached Smith.

"They sat down and had a conversation with me, showed me the video and audio evidence they had accumulated and talked about what would happen to me if they were to prosecute and indict me," Smith testified.

He caved quickly and agreed to cooperate. Both he and Allen have pleaded guilty to bribery, extortion and conspiracy and face about 10 years in prison.

Wendt attempted to attack Smith's credibility by bringing up the dozens of charitable golf tournaments he ran over the years and his odd arrangements with the Buckaroo Club, a Spenard bar.

"The business relationship you had with them was to launder money, isn't that true?" Wendt asked.

Smith denied his conduct was illegal. He said he'd bring tournament checks from participants to the bar, which would cash them so he had money to pay expenses. Wendt suggested the amount totaled in the hundreds of thousands of dollars, and Smith didn't deny it. He also didn't deny that he called his arrangement the "Phony Account."

"Didn't the owners of the Buckaroo warn you that the IRS would catch up to you some day?" Wendt said.

"I don't recall," Smith said.

Smith said that for more than 10 years he organized the annual pig roasts that raised money for Don Young's campaigns. They were major affairs, attended by 200 to 400 people and catered by the Marx Bros. Cafe. The cost was $10,000 to $15,000, he said. He wasn't asked whether Young's campaign reimbursed the full cost.

Smith acknowledged he was the Veco employee who supervised the payments of $30,000 to Tom Anderson when Anderson served in the state House -- a "sham contract," in Wendt's words.

"We never got any work out of it," Smith said. "I asked him to work. It didn't happen."

FBI - Stevens-987

Anderson was convicted in July of taking bribes to do the bidding of another company that wanted to build a private prison in Alaska.

Taking his turn in the witness stand, pollster Dave Dittman said Veco paid him to conduct polls for candidates, including Kott and then-Gov. Frank Murkowski. Such corporate-funded polls for candidates are illegal, according to the head of the Alaska Public Offices Commission.

Dittman indicated on the stand that he did have some concerns about the legality of the polls.

"I remember thinking that 'Oh, I hope you guys don't get yourselves in trouble over this,' " Dittman testified, speaking about Veco paying $2,750 for the July 2006 Kott poll. "I knew it was a corporate contribution; it would exceed the maximum contribution. I also felt they were big boys, had been around for a while and probably knew what they were doing."

Dittman also testified that he conducted a $20,000 poll for then-Gov. Frank Murkowski in April 2006. Veco executive Rick Smith paid for that poll, Dittman said on the witness stand.

"This one was initiated by either Jim Clark or the governor," Dittman testified. "The governor was very unpopular at the time and there was some question of whether he would run."

Clark, who was Murkowski's chief of staff, did not return a phone message seeking comment. Dittman said in an interview he thinks the poll could have been legal because Murkowski was not a declared candidate at that time. Brooke Miles, executive director of the APOC, said that is a gray area.

Dittman also said on the witness stand that Veco paid in June 2006 for a "gubernatorial primary poll" and one for state Senate District N, where then-Sen. Ben Stevens was trying to decide whether he had a chance to retain his seat.

Dittman testified he has done "four or five" political candidate polls for Veco over the past few years. In the later interview, Dittman said he could not recall any other companies that had paid for him to do candidate polls within the past several years.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

REAL-TIME FROM THE TRIAL: Find the most up-to-date news from the Kott trial on our politics blog. Reporter Kyle Hopkins is posting updates throughout the day

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Defense disputes evidence from Kohring's FBI conversations

EVIDENCE: Lawyer asks to stifle material from search of office.

By LISA DEMER
ldemer@adn.com

(Published: September 18, 2007)

A battle is being fought over evidence in the case against former Rep. Vic Kohring, but that's just one of the twists.

At issue: whether prosecutors can use materials seized and statements made by Kohring during the Aug. 31, 2006, search of his legislative office in Wasilla.

His lawyer, John Henry Browne of Seattle, says they didn't get anything incriminating, but he is still fighting to stifle everything from the search. Kohring, a Republican elected seven times, talked with FBI agents for hours that day.

One revelation came after the hearing. Browne told reporters that he intended to file a motion within the next two weeks to dismiss the charges based on what he called improper interference by state Sen. Fred Dyson, R-Eagle River.

Kohring's trial is set to begin Oct. 22. He is charged with conspiracy, extortion and bribery. He is accused of accepting money from Veco Corp. executives in order to push the company's interests on oil taxes and a natural gas pipeline.

According to an FBI report filed in court by his attorney, Kohring told agents:

• He had asked for money for himself personally and for his political campaigns from Veco executives Rick Smith and Bill Allen, and also asked Smith about borrowing or renting a truck. The campaign contributions were properly reported, he said.

• He told agents about regularly meeting and dining with lobbyists while the Legislature was in session. "He likes receiving free meals and drinks from lobbyists," the FBI summary of the Aug. 31 interview said.

• Kohring had a $2,700-a-month consulting contract with developer Marc Marlow but couldn't describe his specific duties.

• Earlier, Kohring had asked Allen if Veco would hire his nephew as an intern. Veco did so. Kohring told agents he thought it was a great benefit for an 18-year-old to be paid $16 an hour.



Former state Rep. Vic Kohring, R-Wasilla, leaves the federal courthouse in Anchorage after a hearing Sept. 17, 2007. Kohring faces bribery, extortion and corruption charges for allegedly taking money from Veco in return for his support on energy issues. *(BILL ROTH / Anchorage Daily News)*



Kohring's attorney John Henry Browne said all the allegations can be explained. *()*

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In another revelation, former Cornell Cos. consultant Frank Prewitt and former state Rep. Tom Anderson secretly recorded conversations with Kohring for the government, according to a letter sent this summer by federal prosecutors to Browne. It was just filed in court. Anderson was convicted in July of taking bribes to do the bidding of Cornell, but it came out at his trial that he at one point was cooperating with the FBI. Prewitt was working undercover for the FBI to collect information against Anderson and, it's now known, against Kohring.

The letter says both Prewitt and Anderson made recordings for the government in the case voluntarily, so no court authorization was needed.

KOHRING'S VOTE RECORD

Browne said all the allegations can be explained and that what's important is this: Kohring didn't vote Veco's way on the oil tax. A check of legislative records shows that was true on certain key votes. When Veco shifted strategy to support a compromise tax rate in an August 2006 special session, Kohring voted against it.

Browne said he learned only Thursday from testimony in the Kott case that Dyson had been helping the FBI investigate corruption in the Alaska Legislature. That makes him an agent of the government, Browne said. He called Dyson "a lapdog."

Browne said he takes issue with Dyson trying to persuade Kohring to at least talk to the feds, if not take a plea deal. He said he believes that the government could have been trying to interfere with Kohring's right to counsel.

But Dyson said later that he just was trying to help Kohring as a friend and wasn't asked to do so by prosecutors or the FBI.

As Browne tells it, a legislative aide to Dyson contacted an aide to Kohring to say the FBI had contacted Dyson's office and that Kohring would be "stupid to go to trial."

On Aug. 6, Craig Suffian, an attorney who works for Browne, sent Dyson an e-mail saying there may have been "an end-run around the right to counsel."

In his e-mail response the same day, Dyson said he wasn't trying to do that.

"My sense of the FBI investigations is that it is not a witch hunt and that they mostly want to nail the really bad guys who did intend to distort the Alaskan Legislative process," Dyson wrote.

He believed that Kohring never meant any harm and possibly could "avoid a good deal of stress and bad press at a trial by at least sitting down with the Feds and see if an attractive alternative was possible," he said in his e-mail. He said he figured Kohring's lawyers would go with him to talk to prosecutors.

FBI - Stevens-990

Browne provided a copy of the e-mail exchange.

So is Kohring negotiating? Browne said that's something defense lawyers are barred from talking about.

FBI TESTIMONY

During the three-hour hearing on Monday, three FBI agents testified about the search of Kohring's office.

Five agents were involved, along with an evidence technician. But while the agents were armed, their weapons were concealed and never drawn, agents testified. They wore business clothes, not FBI raid jackets, and drove unmarked cars. While the outer door to the office was locked, it opened from the inside and Kohring was always free to go, agent Alan Vanderploeg testified.

They had a warrant, signed by federal Magistrate Judge John D. Roberts on Aug. 29, 2006.

But the warrant was never executed. Agents wanted Kohring to agree to the search, which he did.

Kohring's lawyer maintains that a search cannot be voluntary if agents tell the subject they have a warrant.

Kohring is one of six former or current legislators whose offices were searched that day. Agents testified they were instructed to get consent for the searches as "a professional courtesy."

But it also made it more difficult for defense lawyers to see the written support for the search warrant -- the application and the FBI agent's detailed affidavit. The search warrant and affidavit were sealed.

Browne told Roberts that he still wanted to see the affidavit and that prosecutors hadn't turned it over. At the hearing, prosecutors agreed to provide it, as long as he kept it confidential.

Now it is up to Roberts to recommend to District Judge John Sedwick whether the evidence taken in the search, and the statement that Kohring gave, can be used against him.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Reporter Tom Kizzia contributed to this story.

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Kott's son says cash was a legal advance

TESTIMONY: Money was for future flooring work for Veco executive.

By SEAN COCKERHAM and LISA DEMER
Anchorage Daily News

(Published: September 19, 2007)

Ex-state Rep. Pete Kott's son tried to keep his father out of federal prison Tuesday with testimony directly contradicting that of former Veco executives who pleaded guilty to bribing his dad.

The younger Kott, who is also named Peter, testified Tuesday that $7,993 in cash he received from his father was just an advance for future flooring work. That's not so, said the Veco executives. They said the money was a payoff to allow Kott's son to take time off and work on Kott's re-election campaign.

The Veco executives testified earlier in the trial that it was a bribe they gave the elder Kott so his son would have money to work as his campaign manager.

Jurors will have to decide whom to believe, either the executives who have pleaded guilty to bribing Kott and other legislators or the politician's son who was clearly defensive of his father.

The younger Kott's testimony dominated the trial Tuesday as the defense scrambled to shoot holes in the corruption case against the former state House speaker from Eagle River. The defense also tried to use Kott's son to explain away a political poll Veco funded for his dad's campaign.

Former House Minority Leader Ethan Berkowitz also spent time on the witness stand Tuesday, subpoenaed to testify on Kott's behalf.

Berkowitz said Kott didn't trick him into getting fellow Democrats to vote the way Veco wanted, even though Kott had boasted to the Veco executives during a drinking bout that he had done so.

"I didn't have the authority to trade votes," Berkowitz said.

Kott's son, who testified right before Berkowitz, talked comfortably under questioning by defense lawyer Jim Wendt about both the poll and his salary.

Wearing a diamond-patterned gray sweater, the younger Kott came across as clean-cut and likable. He spoke in a clear, strong voice. He looks like his sister Pamela, not his dad.

But when prosecutor Nicholas Marsh, from the U.S. Justice Department's Public Integrity Section in Washington, D.C., pushed him during cross-examination, he hesitated and by the end seemed deflated.

Kott said that he served as his dad's campaign manager in 2006 but that his title just as easily could have been gofer.

He helped on his father's first campaign in 1992 but hadn't done much political work in the years since. In 2006, he jumped in because his father was facing a tough primary challenge from fellow

Republican Anna Fairclough, who would ultimately win the primary and the seat. The younger Kott wasn't happy she was running and presenting his father with his first tough challenge in years, he said.

The father and son operated a business called Kott's Hardwood Flooring. Working on his father's campaign meant the younger Kott had to take a break from the flooring business and he testified that by the end of July he was running out of money.

"I basically told my dad 'if you want to keep me on I have to have some kind of income,' " testified the younger Kott, who said he has two children still at home and a wife who does not have a job.

Sometime around the second week of August, he testified, his father brought $7,993 in cash to his home and gave it to him. The younger Kott told the jury it was understood it was to be an advance for flooring work. He said he needed to refinish the Brazilian cherry floors he did in 2002 for former Veco executive Rick Smith and also had a job for a woman he identified only as Sharon Durant.

Kott testified that the idea of getting an advance so he had money to work on his father's campaign came up in a discussion at "Mr. Bill Allen's place" in July. He said Allen, the chief executive of Veco, during a conversation involving both Kotts, offered to give him cash without any need to do work.

"I said no, no, no," Kott said, adding that he and his father were not about to compromise themselves by doing something illegal.

He said the solution of getting an advance for flooring was his idea.

He said he intended to do the flooring jobs after the Aug. 22 primary election. But his father lost the primary and he never did the work for Smith. Kott said Smith was supposed to call him but never did.

He testified that after the FBI raided the offices of his father and other legislators on Aug. 31 and Veco was mentioned in the news coverage, he didn't press the issue of finishing up Smith's floor.

He didn't say in court what happened to the "Sharon Durant" job and didn't return a phone call later Tuesday seeking comment. He also did not explain why her job would have been included in a $7,993 invoice paid by Allen or, for that matter, why Allen would be paying for Smith's flooring job.

When prosecutor Marsh got his turn to ask the younger Kott questions, he clearly wanted jurors to know he found the story unbelievable.

If he never did the job for Smith, wouldn't he want to pay the money back? Marsh asked him.

"I will give it back," Kott said. FBI - Stevens-993

But you haven't, Marsh said. Kott conceded that was true.

When Smith testified last week for the prosecution, he said the story about the flooring job was just a cover. The idea was to just get money to the son so he could keep working on the campaign, Smith told jurors.

Smith testified that he met with then-Rep. Kott at the Rendezvous bar in Juneau on July 31, 2006, to figure out a way to do so without anyone knowing.

"I thought it was illegal," Smith testified.

Anyway, his floors didn't need to be redone, Smith said.

Former Veco chief Allen also has testified he didn't think Smith's floors needed to be redone.

"They didn't need to because you go into Rick's house and you have to take your shoes off," he testified last week.

Allen agreed with Smith that the payment for Kott's son wasn't meant to be an advance.

The federal prosecutor, Marsh, wondered aloud Tuesday why it would be necessary for Kott to get an advance on flooring work to stay on his dad's campaign instead of just drawing a salary. Jurors saw documents that showed Rep. Kott's campaign finished with a $15,000 surplus and the younger Kott did get paid $3,000 from the campaign funds.

Marsh also asked him why he didn't just ask his father for money. He answered that he didn't want him to have to tap into his retirement fund.

Would it surprise him to know his father had enough money? Marsh asked. Kott first said it would surprise him a little, then said he was indifferent.

Earlier in his testimony, the younger Kott had tried to deflect the charge that Veco illegally paid Dittman Research $2,750 to do a poll for his father's 2006 campaign.

He told jurors that neither he nor his father ever wanted the poll done. They did not ask for it and didn't pay for it.

"No polls. We do not believe in polls," he said.

Find Sean Cockerham at adn.com/contact/cockerham or call 257-4344. Find Lisa Demer at adn.com/contact/demer or call 257-4390.

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Kott explains $30,200 FBI found in his closet

'MY MONEY': He says he saved per diem checks and that $7,993 from Bill Allen was a flooring job advance.

By LISA DEMER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 20, 2007)



Former House speaker Pete Kott, center, leaves the Federal Building and U.S. Courthouse in Anchorage on Sept. 19, 2007, flanked by his attorney Jim Wendt, far left, his daughter Pam and his girlfriend Debora Stovern, right. Kott testified at his trial for bribery, extortion, fraud and conspiracy. *(ERIK HILL / Anchorage Daily News)*

When the FBI last summer searched the Juneau condo that then-state Rep. Pete Kott shared with his girlfriend, agents found more than $30,000 in cash on the shelf in his closet, a prosecutor disclosed during questioning Wednesday in Kott's corruption trial.

That was the biggest revelation of the day in U.S. District Court and it came out when a defense witness -- Debora Stovern, Kott's long-time girlfriend -- was on the stand. She also talked about embroidering hats with Veco Corp.'s logo on the front and the initials "CBC" -- for Corrupt Bastards Club -- on the back.



An embroidered Veco hat with the initials CBC for "Corrupt Bastards Club" was entered into evidence in Kott's trial. *()*

The main witness Wednesday was Kott, the former Republican House Speaker from Eagle River. He took the stand in his own defense around 11:30 a.m., denying he took bribes and talking about his start in Alaska politics in 1992, the friendship he soon formed with Veco chief executive Bill Allen and his role in passing a new oil tax in 2006.

On the witness stand, Kott, wearing a dark suit, a red tie and glasses, came across as serious and hardworking. He seemed like a different man than the hard-drinking, crude-talking wheeler dealer who appears on secretly made recordings played by prosecutors earlier in the trial. On those tapes, he promises Veco executives time and again that he'd "get 'er done" on the oil field services company's behalf.

He is accused of conspiring with Allen, former Veco vice president Rick Smith and others to push through a new oil tax favored by Veco and North Slope oil producers. Allen and Smith have pleaded guilty to bribing Kott and three other legislators and are cooperating with the government.

In earlier testimony, Allen and Smith named Kott as one of the lawmakers they bribed.

As Kott testified Wednesday, Stovern, his daughter Pamela, and his daughter-in-law Cynthia listened from the front row, right behind the defense table.

THE MONEY IN THE CLOSET

Right off the bat Wednesday, Kott told jurors that the $30,200 cash was his. It accumulated over 2

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1/2 years as he cashed the checks legislators receive for daily living expenses while in Juneau or otherwise working, he testified.

"Absolutely it was my money," Kott said.

He'd let the checks stack up, then take them to the bank and cash them, he said. Some of the money came from hardwood flooring jobs too. Kott and his son own Kott's Hardwood Flooring.

His defense lawyer, Jim Wendt of Anchorage, asked whether any of the $30,000 came from Allen or Smith.

Kott hesitated for a moment. He said he wasn't sure whether some of the $900 that Allen gave him one night in Suite 604 of Juneau's Baranof Hotel ended up in that stack. Allen counts out the money in one of the video recordings secretly made in the suite that served as Veco's Juneau headquarters.

Kott testified that the money was payback for a $1,000 contribution he had just made maybe a couple of days before to then-Gov. Frank Murkowski's re-election campaign. But when Allen testified earlier in the trial, he said: "I just gave it to him."

Kott told jurors about growing up in Flint, Mich., the son of a General Motors plant supervisor. He started working the assembly line right after high school too, but after a couple of years enlisted in the Air Force. He married his children's mother in Taiwan. Their relationship is strained, Stovern told jurors. They haven't yet divorced.

His military career spanned the next 22 years and brought him to Alaska in 1984. He has a master's in public administration and started teaching political science classes at Wayland Baptist University. A student gave him the idea to run for the Eagle River House seat in 1992.

Early on, he met Allen through the late and powerful Rep. Ramona Barnes. She took Kott under her wing like a mother hen, calling him her nephew.

Allen and Kott hit it off, Kott told jurors. They both wanted to develop Alaska's natural resources; they both came up doing hard physical work.

"Hands on, just trying to scratch through. Obviously Bill scratched through a lot better than I did," Kott said.

And there was more.

"Bill was kind of by himself," Kott said. "We both had some of that in common."

Kott said he could drop in at Allen's house anytime and sometimes regretted it -- showing up when the older man was already in bed. He guessed he had been there 200 times.

Smith was a friend too, but not at the same level, Kott told jurors. He's only been to Smith's house in Anchorage a few times.

It was his girlfriend, Stovern, who began the day on the witness stand. She wore a cobalt blue dress and came across as friendly and at ease. She never seemed flustered, even under intense cross examination by prosecutor James Goeke.

Under questioning by defense attorney Wendt, Stovern said she met Kott about six years ago while

attending legislative committee hearings as a state employee who worked in occupational licensing. About 3 1/2 or four years ago, he began living in her condominium whenever he was in Juneau.

She no longer works for the state. She handles the bookkeeping for Kott's Hardwood Flooring and works alongside Kott installing, sanding and finishing wood floors. She also filed the campaign finance reports for Kott's races in 2004 and 2006.

'CORRUPT BASTARDS CLUB'

Under cross examination, Stovern testified she made the highly publicized "Corrupt Bastards Club" hats seized by the FBI at the Juneau condo.

She embroidered 100 hats with the Veco logo on the front and added a CBC logo to the back of about a dozen.

Goeke asked what she told the FBI that the initials stood for when federal agents searched the apartment in 2006 and questioned her.

"I told them my understanding was this CBC, it was corporate bastards club or something like that. I told them my understanding it was a barroom joke made in response to some kind of opinion piece," Stovern said.

Did she mean "Corrupt Bastards Club?" Goeke asked. She said she did.

Stovern testified she was "very indignant" herself about the newspaper opinion piece, which said legislators who accepted Veco campaign contributions were being unduly influenced.

She said that she, Kott and Smith were joking about it in the bar at the Baranof Hotel in Juneau. Someone came up with the name "Corrupt Bastards Club" in jest, she said.

Federal prosecutors had a box full of the hats in court. They entered a red one into evidence as Exhibit 208.

Veco paid her $900, or $9 for each hat she embroidered. But she didn't make a lot, because the hats cost her $3 each and she had to cover FedEx shipping, thread and other expenses. Kott delivered the hats to Smith, she told jurors.

A central issue in the trial concerns $7,993 that Allen paid to Kott's Hardwood Flooring. Jurors now have heard three conflicting stories about it.

Kott and Stovern on Wednesday both told jurors that the $7,993 payment was an advance for future flooring jobs for Allen and Smith.

Kott's son, Peter M. Kott, told jurors on Tuesday that the money was an advance for flooring work for Smith and a woman he identified as Sharon Durant. Neither Kott nor Stovern mentioned Durant. The younger Kott needed the advance so he could take time off from the flooring business and work on his dad's re-election campaign in 2006, he testified. Kott lost in the primary.

But both Allen and Smith testified that the money wasn't for future flooring work. It was intended solely to allow Kott's son to work on the campaign, they testified. Smith called the payment illegal.

Goeke asked Stovern if she would be surprised to learn Kott had $30,200 in cash laying around. She said he did a lot of business in cash but didn't know he had that much.

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Goeke wondered why Kott wouldn't just have paid his son to be his campaign manager out of his own cash.

"The money was meant for living expenses," Stovern responded.

Another issue that came up Wednesday concerns a political poll for Kott's campaign in 2006 that Veco paid for. Kott told jurors he got no benefit from it.

Wendt introduced into evidence campaign literature dating back several elections to show Kott used the same themes for years. Kott told jurors he didn't change his strategy as a result of the poll, which showed him behind.

Kott continues testifying on Thursday. The case may go to the jury on Friday.

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Contractor: Worked for Stevens on Veco's dime

'SPECIAL PROJECTS': Ex-employee says jobs included Girdwood remodel and fundraiser help for U.S. senator.

By MATT APUZZO
The Associated Press
(Published: September 20, 2007)



The media watches as authorities search the Girdwood home of Sen. Ted Stevens in July. Stevens knew from the beginning that an Alaska oil contractor was renovating his home, according to a construction worker who said his job duties ranged from installing the senator's hardwood floors to helping run his fundraisers on company time. *(AL GRILLO / Associated Press archive 2007)*

WASHINGTON -- A construction worker who oversaw renovation of Sen. Ted Stevens' home said his company also paid him to help run fundraisers for the Alaska Republican, a practice that appears to violate federal campaign finance laws.

Contractor Robert Williams is a key witness in a bribery investigation that stretches from Alaska to Capitol Hill and threatens legal and political headaches for the Senate's longest-serving Republican. The FBI is investigating whether Stevens received illegal gifts from Veco Corp., the once powerful Alaska oil contractor.

Williams said he was in charge of "special projects" for Veco ex-CEO Bill Allen, and the renovation of Stevens' home was one such project. Others included working three or four fundraisers for Stevens while on the clock with Veco. Federal elections laws prohibit candidates from accepting donations or free services from corporations.

Unlike other Veco employees, Williams did not itemize his time sheets with job codes so customers could be billed. When working on one of Allen's pet projects, Williams just logged his hours and Veco made sure he was paid.

"I never had any doubts about it until the FBI came down and served me with subpoenas," Williams said in a telephone interview with The Associated Press from his home in Alaska.

At fundraisers, including at least one at the home of Stevens' brother-in-law, Williams said he was assigned odd jobs. He delivered ice, arranged for table rental or oversaw the four or five Veco employees parking cars.

"If I didn't have parking patrol, I basically just had to be there to make sure nothing got messed up," Williams recalled.

CAMPAIGN FINANCES

Williams said he also helped run annual fundraising pig roasts for Rep. Don Young, another Alaska Republican who has come under scrutiny in the Veco investigation. The fundraisers were among many Williams said he worked on during his more than 13 years at Veco.

Stevens spokesman Aaron Saunders had no comment Wednesday. The senator has said he wants

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to avoid any suggestion he was trying to influence the investigation by discussing it publicly.

A spokesman for Young's office referred questions to his campaign spokesman, who did not immediately return a call.

Corporations are prohibited from donating to federal candidates and that includes providing services, said Kenneth A. Gross, a Washington campaign lawyer and former Federal Election Commission counsel.

"The company would have had to have been paid," Gross said.

Young recently amended his campaign finance reports to reflect $38,000 in back payments to Allen for the fundraisers. A review of Stevens' campaign finance expenditures since 2000 revealed no payments to Veco or Allen for fundraising.

Robert K. Kelner, another elections attorney and former Republican National Committee lawyer, said the question is whether Stevens or his campaign workers knew the Veco employees were on the clock.

"Should a thoughtful candidate consider that possibility and look into it? Yes," Kelner said. "Do they have a legal obligation to be that thoughtful? No."

THE GIRDWOOD PROJECT

Fundraising and favors are at the heart of the corruption investigation, which has ensnared several Alaska legislators. Allen has pleaded guilty to bribing lawmakers and is cooperating with the FBI. He admitted in court last week that his employees provided "some labor" on Stevens' house in 2000, but Williams recalled the job in greater detail.

Williams remembered spending two or three days a week for about six months at Stevens' house, supervising workers and installing hardwood floors. He also recalled moving a truckload of furniture, including a bed and a rug, from Stevens' mother-in-law's house to the senator's home.

In May, house mover Toney Hannah told the Daily News that the Stevenses originally contacted him in 1999 about jacking up the Girdwood house in order to add a new first floor. He got the go-ahead the next summer from Bob Persons, a Stevens friend and owner of the Double Musky restaurant in Girdwood.

Hannah said the first carpenters did such poor work that he couldn't lower the house on their frame when he came back several weeks later. Another contractor, Augie Paone, was brought in to rescue the project.

Both Hannah and Paone said their bills, totaling more than $100,000, were paid by check by the Stevenses. Both said the FBI asked for their business records.

A few other Veco employees helped on the job and Williams hired outside contractors. A garage was added, though Williams isn't sure how that idea came up.

UNSURE WHO WAS PAYING

Veco isn't in the residential construction business. But Williams said Allen often assigned him work for friends and family. Stevens and Allen are longtime friends, so Williams didn't think the renovation project was unusual.

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Stevens met with workers and knew Veco was handling the job, Williams said, so he assumed the senator was reimbursing Veco for his time. Stevens has said he paid every bill he received for the house.

"Ted said he wanted to make sure everything is paid for," Williams recalled from an early meeting with Allen and Stevens.

He recalled Stevens and his wife paying for flooring and is certain the senator paid for at least some of the work. But because Williams didn't record his time at Stevens' house, he said nobody could know for sure how much his time cost.

At the time, he assumed that when he signed off on expenses and submitted them to Veco, the company would pass those bills on to Stevens. Now he's not so sure.

"I think Bill's ego got away from him," Williams said. "I think he did what he thought he could do."

Allen liked to do things his own way and wasn't fussy about separating business and friendship, Williams said: "Bill's personal life and the company were one and the same."

Williams testified about the house project before a federal grand jury in Anchorage. He couldn't remember the total cost of the renovation, but said the Justice Department seemed to already know more about the project than he did.

Investigators were "very thorough" and had numerous documents and bills associated with the house, he said.

"I thought everything was on the up and up," Williams said. "I'm disappointed with the way things turned out and I'm sorry for Ted."

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Prosecutors: Veco gave Kott $5,000 to buy truck

(Published: September 20, 2007)

Former Rep. Pete Kott is being cross-examined by federal prosecutors in his corruption trial this afternoon. In a hearing early this afternoon with the jury out of the room, prosecutors argued that they should be able to ask the former House speaker about $5,000 given to him by former Veco Corp. chief Bill Allen for a truck down payment. The judge ruled they can ask about it; Kott's defense maintains it was a loan.

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Kott says he stretched the truth with Veco executives

TESTIMONY: He did take money, defendant says, but not as bribes.

By LISA DEMER, SEAN COCKERHAM and TOM KIZZIA
Anchorage Daily News

(Published: September 21, 2007)

Former state Rep. Pete Kott apologized to jurors Thursday for his crude talk in secretly made FBI recordings, but he also conceded that he told Veco Corp. executives whatever they wanted to hear, even if it wasn't true.

On a day he made an emotional speech from the witness stand about his shattered legacy, other revelations spilled out, including that he changed his vote on a new oil tax at the last minute and took $5,000 from former Veco executive Bill Allen as a truck loan that he never repaid.

But, Kott maintained, he never took bribes.

Kott finished testifying late in the afternoon after two grueling days on the stand in his federal corruption trial. While he seemed testy at times during aggressive cross-examination, he didn't lose his cool.

Gov. Sarah Palin quietly popped into the trial for about 10 minutes in the morning. Few seemed to spot her as she slipped into the back row during a little of Kott's testimony on oil taxes. Palin said she took the opportunity to check in during a fire drill in the governor's Anchorage office in the nearby Atwood building.

"This is one of the most important series of trials in Alaska history," Palin said after her courtroom visit.

TRIAL COMES AT GREAT COST, KOTT SAYS

Kott is being tried in U.S. District Court on charges of bribery, conspiracy, extortion and wire fraud. Veco executives Bill Allen and Rick Smith have pleaded guilty to bribing Kott and three other legislators in an effort to influence them on the tax measure in 2006.

Kott told jurors he had to go to trial because he believes he's not guilty, but that it's coming at great cost.

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Jurors have seen videos from Suite 604 of the Baranof Hotel in Juneau and heard wiretapped telephone conversations in which Kott, often after drinking, plotted and cussed alongside Veco executives.

Will those videos and newspaper stories about his behavior be his legacy? defense lawyer Jim Wendt asked.

Kott, in the Legislature 14 years, including two as House speaker, choked up a bit during a monologue that lasted several minutes.

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"Unfortunately, with all the things I believe I accomplished, the goals that I managed to reach, the legacy will be just that. I think people will forget about the good things and remember the bad things," Kott said.

The video recordings are "extremely embarrassing," Kott said.

"Certainly to the jury, I apologize for the vulgarity that has been presented to you in the course of this trial," Kott said. "It has been an embarrassment for myself and my family." His girlfriend and grown son and daughter sat in the front row behind the defense table.

The defense slogged through the legislative record in an attempt to portray Kott as a statesman who sometimes voted against the 20 percent tax favored by Veco to reach an oil-tax compromise.

But as Kott himself explained, the unfolding of such complex bills is a "cat-and-mouse game," with lawmakers sometimes voting yes for loathsome amendments hoping to kill a bill.

The Legislature approved a 22.5 percent tax, and Kott told the jury he considered it a good compromise. "We pretty much split the baby right in half," he said.

SPIRITED CROSS-EXAMINATION

The cross-examination by assistant U.S. attorney James Goeke was heated from the start.

Goeke came close to yelling as he shot off questions rapid-fire about Kott's vote. Wendt objected time and again. And U.S. District Judge John Sedwick told Goeke to slow down, be more patient and stop making speeches.

Prosecutors also dug deep into the legislative record during their cross-examination, trying to show that Kott voted against the 22.5 percent compromise three times on the last day, when the tax measure nearly died.

Even on the final vote, Kott was a "no," switching his vote to the "yes" side only after the tally showed the measure passing.

"You changed it once the writing was on the wall," Goeke thundered. "It's good you did it so you can tell the jury you voted for 22.5."

Kott's lawyer objected.

"There was no jury then to consider," he pointed out.

It was, Goeke noted, the last vote of Kott's legislative career. He lost in the Republican primary two weeks later. FBI - Stevens-1004

The prosecutor seemed to be portraying Kott as a hold-out for 20 percent until the bitter end -- even when some oil industry lobbyists had started pushing for 22.5 percent in fear a more onerous tax might pass instead.

During his cross-examination, Goeke replayed two FBI recordings from the Veco suite.

"Where do you want to take this, Bill? I don't want to jeopardize the gas line but I'll stay on 20," Kott says on a May 8, 2006, recording from Suite 604. Allen testified earlier that oil producers wanted certainty on oil taxes before they would commit to a multibillion-dollar gas pipeline. "Vic

will be on 20 and Jay will be on 20 and Foster will be on 20. I don't know how many others will be on 20," Kott said on the recording, referring to Reps. Vic Kohring, Jay Ramras and Richard Foster.

"Tom Anderson," Smith, the former Veco vice president, chimes in with another lawmaker's name.

"Anderson will be on 20," Kott agreed.

Prosecutors also replayed an especially vulgar recording from late in the night of June 8, 2006. The men in Suite 604 spewed out f--- them repeatedly.

Goeke pressed Kott to explain why he assured Allen he'd fight for 20 percent if he was willing to go higher. Kott said he was misleading his Veco friends, choosing to "tell them what they want to hear."

That theme came up several times.

BERKOWITZ DID NOT HELP SWAY VOTE, KOTT SAYS

Wendt asked Kott to explain another secretly recorded conversation in which he boasts that he "outsmarted the fox" -- referring to then-House Minority Leader Ethan Berkowitz -- in order to get Berkowitz to persuade his fellow Democrats to vote the way Veco wanted.

Kott told jurors that he was just trying to impress Allen. He and Berkowitz had had a rational conversation on the House floor. Kott figured Allen was watching live on "Gavel to Gavel" television.

"I didn't want him to get the opinion I was just crawling in bed with the Democrats," Kott testified.

Kott said he also felt bad because he and Berkowitz had a good relationship for years and he had actually tried to deceive Berkowitz a little bit. He said Berkowitz was on his side back in 2005 when he attempted to regain the House speaker post through a coup. It failed.

That's why he talks in the recording about lying, cheating, stealing and selling his soul to the devil, Kott testified.

In reality, Berkowitz didn't do anything to help swing votes the way Veco wanted, Kott said, even though he told Allen that's what happened.

"I think I was trying to get some credit," he said.

At another point in his cross-examination, Goeke questioned Kott about a $5,000 check from Allen that jurors hadn't heard about before Thursday.

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Kott told jurors that Allen loaned him the $5,000 in 2004 as a down payment on a new truck. He was supposed to pay Allen back once he paid off the truck.

But Goeke pointed out that on Aug. 31, 2006, when the FBI searched Kott's residence in Juneau, Kott told agents that he hadn't done so.

"That sounds like a gift to me," Goeke said.

Kott replied he and Allen had an agreement that Kott would pay the money back when the truck was paid off.

"It could also be characterized as a bribe," Goeke said.

"You can characterize it any way you want; it is not a bribe," Kott replied.

With a few more witnesses to go today, the case may not get to the jury until next week.

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Arguments end: Kott case handed to jury

IN CLOSING: Defense says Allen and Smith cannot be trusted; prosecutor says the evidence is "overwhelming."

By LISA DEMER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 25, 2007)

Lawyers laid out two opposite views of former state Rep. Pete Kott Monday during their closing arguments to jurors in his federal public corruption trial: hardworking with a drinking problem or greedy and looking out for himself.

Defense lawyer Jim Wendt told jurors to think of Kott as a legislator who pushed hard for oil development and got himself into trouble by spouting off when he drank too much.

He especially puffed himself up to his friends from Veco Corp. in Suite 604 of Juneau's Baranof Hotel, Wendt said. The nickname for the suite that served as Veco's headquarters during the Legislature was Animal House, Wendt reminded jurors.

"I'll tell you what it was. It was a place for boasting and banter, fueled by alcohol," Wendt told jurors in U.S. District Court. "The government is resting its case on the Animal House as if what goes on there is somehow reliable."

Assistant U.S. Attorney James Goeke told jurors that Kott took bribes from Veco and was guilty of putting his own self-interest before that of his constituents. Kott is charged with four felonies: conspiracy, extortion, bribery and honest services wire fraud.

The prosecutor said the case was unusual because jurors were able to watch and listen as the alleged crimes took place.

"Through the hours and hours of electronic surveillance that you've heard in this courtroom over the past few weeks, you the members of the jury have been able to sit in a ringside seat," Goeke told jurors.

No one knew during 2005 and 2006 that the FBI had put a bug in Suite 604 and wiretaps on phones of Veco executives.

The defense reminded jurors that the government focused on only the worst out of hundreds of hours of video recordings and thousands of intercepted phone calls. Prosecutors took "little snippets" out of context, Wendt said.

But Goeke told jurors "the evidence in this case is overwhelming."

The courtroom was nearly full of FBI agents, other defense lawyers, legislators and aides, reporters and Kott's friends and family. The case went to the jury around 12:30 p.m. on the trial's 14th day.

Kott is a former Republican House speaker from Eagle River who served 14 years in the Legislature.

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Bill Allen, former Veco chief executive, and Rick Smith, former Veco vice president, have pleaded guilty and were key witnesses for the prosecution, testifying that they bribed Kott.

U.S. District Judge John Sedwick told jurors that Allen and Smith's guilty pleas in themselves are not evidence that Kott did anything wrong. In fact, the testimony of both Allen and Smith should be considered with more caution than that of other witnesses, he told them.

Wendt told jurors that Smith and Allen will say whatever the government wants to save themselves. Neither has been sentenced.

The stakes in the oil tax debate were high. The Murkowski administration was pushing a new state oil tax, a first step toward a natural gas pipeline that could have been worth millions to Veco in construction contracts. Kott is accused of pushing a 20 percent tax favored by North Slope oil producers in exchange for money, a political poll and Veco's promise of a job.

LAWYERS SUMMARIZE THE EVIDENCE

Goeke walked jurors through carefully picked highlights from nearly five dozen audio and video recordings played during the trial.

In a Sept. 26, 2005, call between Kott and Smith, the legislator said he needed a job. "You got a job. Get us a pipeline," Smith responded.

Later, the prosecution played a series of video recordings from the night of May 7 and into the early morning of May 8, just after key votes on the oil tax. "I'd vote for a 30 percent tax if it wasn't for this guy here," Kott says in one, pointing to Allen.

And in a video secretly recorded on June 1, 2006, Allen counts out what he later testified was $1,000 in cash for Kott. In another video from the same night, Allen asked Kott what he wanted to be. After joking about passing out beach towels in Barbados, where Veco was building a prison, Kott said he wanted to be a lobbyist. "Well, you will be," Allen tells him.

Allen later testified that Kott's job prospects with Veco all depended on him doing the right thing on the oil tax, Goeke reminded jurors.

During his closing, Wendt was frustrated at times by technical difficulties but forged ahead, focusing on a timeline displayed for jurors that included key votes.

Wendt emphasized that it was the defense, not the prosecution, who brought in two legislators to explain their dealings with Kott, which he said was better than relying on "some grainy tape" because they know what really happened.

The wire fraud charge, Wendt pointed out, is based on a single telephone conversation in which Kott assures Smith "you know where my allegiance is."

"Where is the plan or scheme in that telephone conversation?" Wendt asked.

Kott just wanted a gas pipeline, the same as Veco, but there was no criminal conspiracy, no intent to extort money from Allen or Veco, he said.

Others got so much more from Veco than Kott, Wendt said. Former Senate President Ben Stevens got hundreds of thousands of dollars in consulting work. U.S. Sen. Ted Stevens had his whole house redone with the help of Veco workers. Former Rep. Tom Anderson had Veco contracts too.

But Kott was working on his hands and knees doing flooring, Wendt said.

"Pete Kott never got anything," he said.

The last word came from prosecutor Nicholas Marsh, from the U.S. Justice Department's Public Integrity Section in Washington, D.C.

He told jurors that it made no sense to think that Kott got nothing from Veco. He received $1,000 in cash, a check for $7,993, a political poll that cost $2,750 and the promise of a job, all from Veco, Marsh said.

Kott's defense, Marsh said, appears to be that what he said in 11 months of secretly made recordings are "either lies or they are not true or the rantings of an alcoholic."

Kott, Marsh told jurors, "tried to snooker you."

Jurors finished deliberations for the day at 4:30 p.m. They return today.

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Kott trial closing arguments at a glance

Prosecution

KOTT'S OWN WORDS: Assistant U.S. Attorney James Goeke replayed secretly made audio and video recordings. They included Kott talking to Veco executives about a possible job and asking Veco chief Bill Allen for instructions on the eve of the legislative session.

VECO TESTIMONY: Goeke said the testimony of Allen and former Veco executive Rick Smith, who are cooperating with the prosecution, matches what jurors heard on those FBI recordings.

OUTRAGE: Goeke hammered on the argument that Kott sold out the public trust by turning to Veco, instead of his Eagle River constituents, for direction on how to vote and act.

KOTT'S CREDIBILITY: Prosecutor Nicholas Marsh said Kott's explanations for his words and deeds made no sense. He "tried to snooker you," Marsh told the jury.

Defense

OUT OF CONTEXT. Kott's attorney, Jim Wendt, argued prosecutors plucked the worst statements out of hundreds of hours of video and thousands of intercepted phone conversation.

ANIMAL HOUSE. Wendt argued that Veco's Suite 604 at the Baranof Hotel in Juneau was known as the "Animal House," and was a "place for boasting and banter fueled by alcohol." Wendt said Kott loved and admired Veco head Allen and was just trying to impress him after drinking by saying things that weren't true.

HARD WORKER. The defense painted Kott as a hard-working man who did flooring jobs and didn't ask for handouts. He also worked hard trying to get a gas pipeline for Alaska, Wendt said.

LEGISLATORS' TESTIMONY. Wendt noted that Rep. Gabrielle LeDoux and ex-House Minority Leader Ethan Berkowitz testified that, despite what Kott told Veco executives, Kott didn't manipulate them to try and get the oil tax rate Veco wanted.

Compiled by Daily News reporters Sean Cockerham and Lisa Demer

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Kott guilty on 3 counts; sentencing set Dec. 7

Former legislator likely faces four years or more in prison

By LISA DEMER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 26, 2007)

Former state Rep. Pete Kott, a 14-year veteran of the Legislature and one-time House speaker, was convicted Tuesday by a federal jury of conspiring with Veco Corp. executives to push an oil tax favored by industry.

Jurors convicted the Eagle River Republican of conspiracy, bribery and extortion. They acquitted him of a fourth felony charge, wire fraud, that was based on a single cell phone conversation that went across state lines.

As the verdicts were read around 3 p.m. on the trial's 15th day, Kott sat silent and still between his defense lawyers. He left the courtroom looking tired and drawn. He had little to say about the verdict.

"I'm disappointed," Kott said. He didn't want to talk about what's next for him or the specifics of how he thought his corruption trial went. "It came," he sighed. "It went."

Kott walked out of the Federal Building with his girlfriend, Debora Stovern, on one arm, daughter Pamela on the other and lawyer Jim Wendt just ahead. They faced a barrage of television cameras and reporters asking questions that Kott wouldn't answer.

Wendt said Kott almost surely would appeal. He and his co-counsel, Meg Simonian, hadn't worked out all the potential grounds but he suggested the instructions the judge gave the jury could be one factor. "The jury instructions were a little ambiguous regarding the bribery and extortion charges," Wendt said.

Then Kott's group piled into a Dodge truck and drove away.

'deal-maker,' prosecutors said

During the trial, prosecutors Nicholas Marsh and James Goeke portrayed Kott as a deal-maker who plotted with former Veco executives Bill Allen and Rick Smith to secure the oil tax rate sought by North Slope oil producers during the 2006 regular session and special sessions that summer. They played nearly five dozen secretly made recordings during the trial.



Former Rep. Pete Kott of Eagle River leaves the U.S. Courthouse in Anchorage with his daughter Pamela, left, and his girlfriend Debora Stovern, right, after a federal jury returned guilty verdicts on charges of bribery, conspiracy and extortion Tuesday Sept. 25, 2007. *(BILL ROTH / Anchorage Daily News)*



Former Rep. Pete Kott leaves the U.S. courthouse in Anchorage on Tuesday, September 25, 2007, after a jury returned guilty verdicts on three of four corruption charges. Kott was found guilty of bribery, conspiracy and extortion. Jurors found him not guilty on one count of wire fraud. *(BILL ROTH / Anchorage Daily News)*

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The defense painted Kott as a hard worker with a drinking problem, an Air Force veteran, a man who got on his hands and knees laying hardwood floors but who didn't ask his wealthy friends at Veco for handouts.

This is the second victory for prosecutors in the ongoing public corruption investigation, and the first involving oil field services contractor Veco. The company was sold to Denver-based CH2M Hill just before the trial.

Deliberations began at 12:30 p.m. Monday. Most of the jurors seemed "gung-ho" and ready to convict Kott that same day on at least a couple of charges, said Donna Riley, juror No. 1. She wanted to slow things down and sent the judge a note first thing Tuesday saying she had felt pressured the day before.

"And I'm like, man, you guys need to go over it," Riley said after the verdict. "I need to understand. This is someone's life, you know? I need to make sure I understand everything about it to have a clear conscience."



Former Alaska state lawmaker Pete Kott, back center, walks past reporters at the federal court building in Anchorage Sept. 25, 2007, with his daughter, Pam Kott, back left, and Debora Stovern, back right, and Kott's attorney, Jim Wendt, front center, after Kott was convicted of conspiracy to solicit financial benefits, extortion and bribery. *(AL GRILLO / The Associated Press)*

Jurors were talking over each other on Monday when they finally got a chance to say what they thought after more than two weeks of trial, said juror Susan Pollard. By Tuesday morning, the jurors went out of their way to "cool it" and make sure Riley was included, juror Dale Hartzler said.

Riley, a custodial worker at Stevens International Airport, said she related to Kott since both do physical labor. She was moved, too, by a speech he gave on the witness stand.

"It kind of got to me when he said he was embarrassed and felt bad ... for his family," Riley said.

The defense was "trying for any emotional leverage they could get," Pollard said.

In the end, what struck Riley as particularly important: the testimony and recordings about the promise of a job to Kott and the financial rewards, especially the inflated flooring invoice through which Veco executives funneled $7,993 to Kott.

She said she went home Monday night and prayed on what to do. By Tuesday, the situation in the jury room was calmer, she said. Their decision was the right one, she said.

Pollard, a former contract manager for the federal government, said it was Kott's own testimony on the stand that left the biggest mark. Kott tried to explain to jurors that he just was telling Allen and Smith what they wanted to hear when he told them he'd push the tax rate they wanted.

Kott was saying 'I'll lie to my friends but I do have my principles,' " Pollard said. "How can you believe anything he says after that?" As to the inflated flooring invoice, she said she was very skeptical of the defense story that the money was for future flooring work. Why were invoices created by Stovern, Kott's girlfriend, bookkeeper and a defense witness, after the fact? Why did none mention future flooring work?

Juror Hartzler said his vote to convict was a no-brainer given the evidence. Kott and his defense team couldn't blunt the FBI audio and video, he said.

The defense didn't ring true, said Hartzler, a systems analyst for Alaska Communications Systems. He said the whole tenor of the defense was just "flying in the face of the intercepts" recorded by

the FBI. He gave the example of Kott's son, who was also his campaign manager, claiming on the witness stand that the campaign didn't use political polls. The defense was trying to refute the charge that Kott received a poll illegally paid for by Veco.

Hartzler said the defense claim was contradicted by a recording of Kott talking about the poll with a Veco executive, as well as poll questions the FBI found on a computer device at Kott's residence. As for the drinking, Kott didn't seem drunk in all of the late night recordings. Hartzler pointed to one in which Kott told Veco chief Allen that he wanted to be a lobbyist. It just seemed like a real, casual conversation, he said.

The evidence on the wire fraud charge just was too thin to support a conviction, Pollard said. It was based on a March 10, 2006, cell phone call that Kott made from Washington, D.C., to Smith. Kott, who was having drinks with a Marathon Oil lobbyist, told Smith he wanted to "take care of Marathon in this deal." But Smith said that Marathon had dumped Veco as a maintenance contractor. "You know where my allegiance is," Kott told Smith.

The verdicts come just before next month's special session on oil taxes called by Gov. Sarah Palin. "I am more committed than ever to seeking a fair, untainted solution to our petroleum tax system," the governor said in a written statement.

The evidence was compelling, said state Sen. Fred Dyson, R-Eagle River, who helped the FBI in its investigation and sat in on much of the trial. The recordings of people laughing and swearing about "jerking the public process around" generate a gut level impact.

Kott is likely facing more than four years in prison, according to what prosecutors have estimated under sentencing guidelines. But he could be looking at even more time, as much as 612 years, if the judge determines he did not testify truthfully and obstructed justice, said prosecutor Joe Bottini, who didn't try the case but sat in on much of it. He is part of a four-person team of federal prosecutors handling Alaska public corruption cases.

U.S. District Judge John Sedwick set sentencing for Dec. 7.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Sean Cockerham online at adn.com/contact/scockerham or call 257-4344.

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FBI - Stevens-1013

Feds eye Stevens' home remodel -
GIRDWOOD: Veco approved some invoices for 2000 upgrade at senator's house, says builder.

Anchorage Daily News (AK)
May 29, 2007
Author: RICHARD MAUER
Anchorage Daily News
Staff

Estimated printed pages: 8

The FBI and a federal grand jury have been investigating an extensive remodeling project at U.S. Sen. Ted Stevens' home in Girdwood that involved the top executive of Veco Corp. in the hiring of at least one of the key contractors.

Three contractors who worked on the project said in recent interviews with the Daily News that the FBI asked them to turn over their records from the job. One said he was called to testify about the project before a federal grand jury in Anchorage in December.

The remodeling work, which more than doubled the size of the house, occurred in the summer and fall of 2000. The four-bedroom home, about two blocks from the day lodge parking lot at the Alyeska ski resort, is Stevens' official residence in Alaska.

An old friend of Stevens in Girdwood, longtime Double Musky restaurant owner Bob Persons, has been questioned by the FBI about the project. He monitored the remodeling for Stevens and his wife while they were in Washington, D.C.

"I will be testifying. That's all I can tell you," Persons said in a brief interview last week. "It is an ongoing investigation that I'm not supposed to talk to or see anybody about it."

Persons would not elaborate on whether he meant that he would testify before a grand jury, at a trial, or both, or for whom. He said he believed Stevens did nothing wrong.

Ted Stevens and his wife, Catherine, declined to answer questions about the Girdwood house. In a prepared statement issued by his office, Stevens said: "While I understand the public's interest in the ongoing federal investigation, it has been my long-standing policy to not comment on such matters. Therefore, I will withhold comment at this time to avoid even the appearance that I might influence this investigation."

The FBI and the U.S. Justice Department's Public Integrity Section, which are in the midst of a broad investigation of corruption in Alaska, would not comment.

"This is a pending investigation and we're just not going to confirm or deny any aspect, any rumors, any allegations out there," said FBI spokesman Eric Gonzalez.

INQUIRY SURFACES

Ted Stevens, the most senior Republican in the U.S. Senate and Alaska's most famous political figure, has not been directly connected with the corruption investigation.

The wide-ranging federal inquiry surfaced in August when agents raided six legislative offices, including those of then-Senate President Ben Stevens, one of Ted Stevens' sons. The FBI said at the time that it also had executed a search warrant in Girdwood, among other places, although the location of that search has never been officially disclosed.

FBI - Stevens-1014

Veco, an oil-field service company that has long been a strong lobbying presence in Juneau, was one of the early targets of the agents, according to some of the search warrants that became public. On May 7, the company's longtime chief executive, Bill Allen, and a vice president, Rick Smith, pleaded guilty to federal conspiracy, bribery and tax charges. They are now cooperating with authorities.

The investigation spread to the commercial fishing industry, including Ben Stevens' consulting clients and associates. Federal subpoenas served on fishing companies in Seattle last year sought records concerning both Ben and Ted Stevens.

Four current or former Alaska state lawmakers have been indicted and are awaiting trial on corruption charges, and an Anchorage lobbyist has pleaded guilty to federal corruption charges.

194A-AN-13620-M;472

Ben Stevens has not been charged. But the charges pleaded to by Allen and Smith alleged Ben Stevens improperly accepted $242,000 from Veco for "giving advice, lobbying colleagues, and taking official acts in matters before the legislature."

How the Girdwood home fits in with the broader investigation, or what possible crimes are being investigated, is not clear. There was a brief, unexplained reference to residential remodeling in the government's statement of facts that accompanied Allen's and Smith's guilty pleas. The sentence, preceded by a listing of a dozen Veco-related enterprises around the world, said: "Veco was not in the business of residential construction or remodeling."

Asked whether that line related to the construction at Stevens' Girdwood home, Persons first said, "I'm sure it does." When pressed, he said he wasn't certain.

WHERE THE BILLS WENT

Augie Paone, owner of Christensen Builders Inc. of Anchorage, said in a recent interview that it was Bill Allen who hired him to complete the framing and most of the interior carpentry at Stevens' home. Before he could send a bill to Stevens for work in progress, he was directed to provide it first to Veco, where someone would examine it for accuracy, he said. When Veco approved the invoice, he would fax it to the Stevenses in Washington, he said.

Paone said that as far as he knew, Stevens and his wife, Catherine, paid his bills themselves. He said he sent at least $100,000 in invoices to the Stevenses in Washington. They paid him from what he said appeared to be a checking account opened for the project. The checks, imprinted with the couple's names, had single- and double-digit serial numbers, he said.

According to Paone and other contractors, the renovation involved a technique often used with older dwellings in Girdwood -- jacking up a single-story house, building another floor on the original foundation or pilings, then lowering the original structure onto the new one. The result is a two-story home.

City and state records show the Stevens home was originally built in 1971. Catherine and Ted Stevens purchased it in August 1983. Plans show the house had two bedrooms, a living room, a kitchen and a single bath before the 2000 expansion.

Toney Hannah, a house mover from Anchorage, said he had initial discussions about a jack-up project with Ted and Catherine Stevens in 1999 but didn't hear any more about it until the next summer.

On July 26, 2000, Stevens faxed a letter to Anchorage building safety officials, saying Persons had authority to act in his and Catherine's name "in regard to construction at my house in Girdwood."

Stevens often relied on Persons to look after his Girdwood residence, according to Stevens' long-term neighbor there, Julie Peterson. She said she would call Persons if she saw a problem at the house.

Stevens and Persons also have a business relationship. Persons is the managing partner of Alaska's Great Eagle LLC, a racehorse-owning partnership that includes Stevens, Bill Allen and Allen's son Mark, along with several other Alaska businessmen.

On July 31, 2000, Persons obtained an Anchorage land-use permit for the Stevens remodeling. He listed the value of construction as $84,878 -- much less than the actual total turned out to be.

Most of the tradesmen who worked on the project couldn't be identified to answer questions from the Daily News about how they were hired, paid and supervised. While Girdwood is within the Anchorage municipality, its local building rules are more lax. With no inspections required, city building records don't name the electrician, plumber, furnace installer or others who may have worked on the project.

FBI - Stevens-1015

Hannah, the house mover, was found because Persons originally listed him in the permit file as the contractor.

Hannah said Persons contacted him in July or August 2000 to start the project. His crew jacked up the home. Hannah said Persons seemed to be in a hurry to get the job done.

A framing crew went to work on the first floor. But Hannah said that when he returned to Girdwood to lower the house, the framing was unacceptable, forcing him to delay the next phase. He said he didn't know who did the faulty carpentry.

Paone said he was called in late that summer to rescue the project.

"Bill Allen and some of the Veco boys, some of the Veco guys, were the ones that approached me and wanted to know if I could give them a hand," Paone said. "I did it more as a favor, you know. It's one of those things when somebody is the head, and packs that much power and asks you for a favor, it's kind of hard to say no."

JUST IN CASE

Paone said his name was on file at Veco because he had worked as a carpenter remodeling a Veco office building in Anchorage several years before. He had also remodeled the basement of the home of Veco's chief financial officer, Roger Chan. Chan and Allen both asked him to work on Stevens' home, he said.

Chan didn't return a phone call seeking comment and Veco's lawyer, Amy Menard, said the company's agreement to cooperate with federal authorities barred her and officials from talking.

Like Hannah, Paone said he didn't know who botched the framing.

"My understanding is that there was just a bunch of guys trying to do it on a weekend basis, and mostly they were friends of the senator's or something," he said. "But they didn't know what they were doing and they were so far behind that there was absolutely no way they could have completed it by late October, early November," he said.

Paone took over the framing and completed the interior walls, some of the cabinetry in the kitchen, the insulation and painting. He purchased the supplies and sent invoices for materials and labor to Stevens.

Paone said he couldn't recall the names of other tradesmen who worked on the project -- electricians, plumbers and a mechanical contractor who installed a new gas furnace and the forced-air heating system. A neighbor said someone brought over a crane to hoist Stevens' barbecue grill to the second floor deck. Another neighbor said a cherry picker showed up to install decorative lights on the eaves.

Paone said that by the time he finished his work in late October or early November, he had sent Stevens more than $100,000 in invoices for his own work.

Paone said he charged normal rates but was uncomfortable with the arrangements because he hadn't provided an estimate before starting the work. He said he protected himself by retaining all the records on the project.

"I didn't suspect anything, but I just wanted to make sure," he said. "When you work with a house of a legislator or a senator, you make sure you hold on to all the billings, just in case something happens."

Current city property records show the 10-room home contains 2,471 square feet of living space. With its quarter-acre lot, its assessed value for 2007 is $440,900.

'A VERY SAD SITUATION'

Last year, some six years after the project was completed, Paone said, "the FBI came over to me and I gave them all the paperwork I had on it." When he was questioned by the FBI, he said, agents seemed particularly interested in Veco and its officials. The government already had copies of most of his invoices on the Stevens home, having obtained them from Veco files, he said.

Paone said he followed that up by testifying before a federal grand jury in December.

About a year ago, Hannah, the house mover, came to work at his yard in South Anchorage and found an FBI agent's card on his office door, he said. When he called the agent, he was told the government was going to subpoena his records on the project. He said he sent his father downtown with all the files. He hasn't gotten them back, he said.

FBI - Stevens-1016

He said Catherine Stevens had paid his bill with a check, but he said it happened too long ago to remember details.

The contractor who did earth-moving for the project, Bob Redmond of Girdwood, also provided his records to the FBI, according to Jean Redmond, his stepmother. She also said the bills were paid by Stevens.

Paone said that as far as he knows, Stevens paid every invoice sent to him.

"Now, I'm not sure if everything was given to him," Paone said. "It's just that he was never around. He didn't know what was going on. My personal opinion is that if he got something for nothing, he absolutely didn't know about it."

Persons, of the Double Musky, said he believes Stevens has done nothing wrong, though he was unable to say what he knows.

"It's a very sad situation," he said during the brief interview outside a bank in South Anchorage. "I have to tell you that my attorneys have told me not to talk to anyone. And I can't even talk to my friends. Anybody. I can't talk to anybody."

Persons said he didn't think he was in any legal trouble.

"I don't know why I would be," he said.

"To me, it's a tragic situation," Persons added. "I don't think Sen. Stevens has done anything wrong and I don't know what's going on. I think it's a witch hunt."

Contact reporter Richard Mauer at 257-4345 or at rmauer@adn.com.

Caption:

MARC LESTER / Anchorage Daily News

Stevens' Girdwood house was jacked up and had a new story built underneath the original one. Its assessed value now is $440,900.

Bill Allen, the former CEO of oil-field service company Veco, pleaded guilty May 7 to federal bribery, conspiracy and tax charges.

MARC LESTER / Daily News archive 2000

Ted Stevens and his wife, Catherine, attended the renaming of Ted Stevens Anchorage International Airport in July 2000. The house was about to be renovated.

BILL ROTH / Daily News archive 2001

Deanna and Bob Persons are longtime owners of the Double Musky Inn. Bob Persons acted on Stevens' behalf during the work.

Caption:

FBI - Stevens-1017

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Veco case may spark charges from state

CRIMINAL AND CIVIL: Attorney general has ordered investigations.

By LISA DEMER
Anchorage Daily News
(Published: May 9, 2007)


Allen ()

The state plans to investigate whether Veco Corp. and its officials have violated Alaska law in light of guilty pleas in federal court by two company officials.

Attorney General Talis Colberg on Tuesday directed state lawyers to begin criminal and civil investigations into Veco and related parties. Company chief executive officer Bill Allen and a vice president pleaded guilty Monday to the federal charges of bribery and conspiracy.

Colberg told state lawyers to look into issues not addressed by the federal case. The Alaska Public Offices Commission also is looking into possible violations.

In another development, Gov. Sarah Palin urged indicted state Rep. Vic Kohring, R-Wasilla, to consider stepping down. The governor said it wasn't in her power to demand that he resign but said he should think about it.

"There is certainly a cloud over the seat he represents right now and, with so much on his plate in terms of the need to defend himself, I think he has got to consider that. That's my personal opinion," Palin said.

Palin also removed Allen from a council created to foster cooperation with Alberta, Canada, in areas such as transportation, Native issues, and trade and investment. She said it was inappropriate for him to serve the state.

As for Kohring, he said he's staying in the Legislature.

"I do not feel I would serve the best interest of my constituents by walking away at this time," Kohring said in a written statement. "The House leadership has made a decision regarding my committee chair position, but also made it very clear they expect to see me working in my capacity as a legislator."

After being indicted, Kohring was stripped of his chairmanship of the House Special Committee on Oil & Gas.

Kohring and former Reps. Pete Kott, R-Eagle River, and Bruce Weyhrauch, R-Juneau, were arrested Friday on multiple charges springing from an FBI investigation into corruption in the Alaska Legislature. All were released and vowed to fight the charges.

The three legislators are accused of doing Veco's bidding in exchange for money or other benefits.

Kohring said his situation was not like that of Jim Hayes, who first refused demands by Palin that he resign from the state Board of Regents after being indicted on multiple federal counts.

While university regents are appointed by the governor, legislators are elected by the people, Kohring said in his statement. Hayes, facing possible impeachment, eventually resigned.

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194A-AN-13620-m 473

If his defense "prevents him from effectively doing his job," Kohring will reconsider, his statement said.

In court Monday, Allen and Veco vice president Rick Smith admitted being part of a conspiracy in which they bought lawmakers' votes for an oil production tax favored by the oil industry. Over five years, they made more than $400,000 in illegal payments to four legislators or their families.

Allen also approved a scheme in which Smith directed Veco executives to make campaign contributions to primarily Republican candidates. The executives knew they would receive a "special bonus" to cover the amount. It was Smith's job to figure out how big a phony bonus each would need, prosecutors said in court filings.

In the last two-year election cycle alone, at least six Veco executives each donated $24,000 or more to various Alaska candidates and the Republican Party, according to a database run by the National Institute on Money in State Politics or followthemoney.org.

Allen alone donated more than $30,000 over the two years, according to the institute. So did Veco president Pete Leathard and chief financial officer Roger Chan. Smith donated nearly $25,000. And that's just one election cycle.

Brooke Miles, APOC executive director, said her staff saw the enormous contributions from Veco officials but couldn't document illegal behavior. They didn't know about the special bonuses.

"Some of that would be beyond the auditing skills of an agency such as this," Miles said.

Veco has run afoul of campaign finance laws before. In 1985, the company was fined more than $72,000 -- later reduced to $28,000 -- for a scheme that funneled secret donations to a slate of candidates through an employee payroll deduction plan.

Miles said the public offices commission will consider at its June meeting how to proceed with the new information revealed in the federal charges.

Changes to the campaign finance laws in 2003 limit the possibilities, she said. For instance, a complaint must be filed within a year.

Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390. Sabra Ayers contributed to this story.

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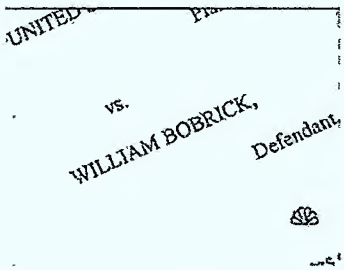
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Bobrick third player to plead guilty in federal corruption probe



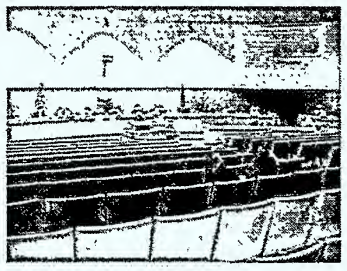
Under Bill Bobrick's plea agreement with federal prosecutors he faces up to five years in prison. (KTUU-TV)



According to his attorney, Douglas Pope, Bobrick has been cooperating with prosecutors in the case against former Anchorage Rep. Tom Anderson. (KTUU-TV)



Dan Sullivan, Anchorage Assembly member and Ethics Committee chairman (KTUU-TV)



Sullivan said it had been uncomfortable and inappropriate for Bobrick to continue lobbying lawmakers in light of his unethical behavior. (KTUU-TV)

by Jill Burke
Wednesday, May 16, 2007

ANCHORAGE -- In a deal cut with prosecutors, Anchorage lobbyist Bill Bobrick pleaded guilty to a federal bribery charge this morning, admitting to his role in a scheme that involved bribing former Representative Tom Anderson, R-Anchorage.

Bobrick admits funneling thousands of dollars to Anderson in order to gain legislative access and help for a prison firm Bobrick worked for.

Bobrick is the seventh person to be publicly charged in the ever-widening corruption probe led by prosecutors from Washington, D.C. Three of the seven have entered guilty pleas: Bobrick, along with Bill Allen and Rick Smith of oil-services company VECO Corp. The current and former lawmakers implicated in the corruption probe all maintain their innocence.

And in this case it is again the lobbyist and not the lawmaker who is taking a deal.

Federal prosecutors say Anderson and Bobrick, who has long been one of the city's most powerful lobbyists, were in on the scheme together, yet only Bobrick admits his guilt.

Douglas Pope, who is representing Bobrick, says his client deeply regrets his crimes.

"He's deeply remorseful ... but he's trying to do the right thing by cooperating with the United States in the Anderson case," said Pope.

In the plea deal, Bobrick admits creating a shell company to funnel the funds to Anderson. On paper, it was a Web site for political articles; in reality, it was a way to pay Anderson undetected.

"(Anderson) doesn't have to report any of my clients," Bobrick unknowingly told an FBI informant, "just the money that he gets paid by a company that he writes the column for."

This admission was included in evidence collected by the FBI from surveillance of Bobrick and Anderson.

Bobrick only knew the informant as an associate of a company that builds prisons and halfway houses -- the same company that needed Anderson's help to push some projects through the Legislature.

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Rep. Tom Anderson was indicted late last year for taking bribes from Bobrick in exchange for muscling legislation through the House. (Courtesy photo)

While the prison company is unnamed in both Anderson's indictment and Bobrick's charging and plea documents, sources tell Channel 2 News it is the Texas-based Cornell Corp., which runs halfway houses in Alaska.

Prosecutors allege at a November 2004 public hearing on a proposed prison project, Anderson spoke on behalf of the project and identified himself as a lawmaker -- specifically as the chairman of the Legislature's Regulatory Review Committee -- but never revealed he was working on behalf of one of the companies involved.

One month later, Bobrick paid $4,000 to a company Anderson owned.

Dan Sullivan, a member of the Anchorage Assembly and chairman of its Ethics Committee, said Bobrick's continued presence at Assembly meetings was inappropriate.

"It was very uncomfortable for us to have him still influencing public officials on behalf of clients when we were aware of what the activities were before," Sullivan said.

Bobrick has continued lobbying city lawmakers since the allegations against him came to light late last year in the Anderson indictment, and his legal woes had not prevented clients from calling.

Five clients signed him on to lobby their interests before the Assembly this year, but now it appears at least some of them are signing off, including P.O.B. Montgomery, the developer building the new Glenn Square Mall, and the Cook Inlet Housing Authority.

"Bill Bobrick is no longer working on any of our accounts," said David Irwin, president of P.O.B. Montgomery. "We obviously made that decision based on where this investigation is now heading into this phase."

Irwin added he found no evidence of unethical dealings between his company, the city and Bobrick.

But there is also momentum in the Assembly to make sure any lobbyist with tainted credibility doesn't come around.

"You engage in that kind of conduct -- we don't want you in Assembly chambers. We don't want you in city hall. We don't want you influencing local public officials. We need to be held to a high standard," Sullivan said.

Bobrick could receive a five-year sentence, but because he has been helpful prosecutors are recommending a lighter sentence between two and two and a half years. Sentencing won't take place for 6 months.

Prosecutors say he took a total of $24,000 on behalf of the prisons company and passed more than $10,000 on to Anderson.

Contact Reporter Jill Burke at jburke@ktuu.com
Reporter Jason Moore contributed to this story.

FBI - Stevens-1021

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Alaska's governor tops the approval rating charts

89-93 POLL RATINGS: Palin has pleased most voters by sticking to her promises.

By SABRA AYRES
Anchorage Daily News
(Published: May 30, 2007)

JUNEAU -- With the latest poll showing her approval rating at 89 percent, Gov. Sarah Palin may now be the most popular governor in the nation.

A recent public opinion poll taken by Ivan Moore Research showed both Republicans and Democrats in favor of the state's first female governor. The poll comes just two weeks after a separate poll taken by Dittman Research gave Palin a 93 percent approval rating.

While political polling numbers can fluctuate week to week, Palin's numbers have consistently been extremely high, putting her near or at the top among the nation's governors, according to Jennifer Duffy, an analyst at the Cook Political Report, a Washington, D.C.-based research group that closely follows state politics.

"She is only the 14th person in the nation to take out an incumbent governor in a primary. That's about the hardest thing you can do in politics, so she was starting from a good point," Duffy said.

Palin beat then-Gov. Frank Murkowski in last August's Republican primary before winning the general election in November.

"In a lot of ways that was the race, so she started in a good position," Duffy said.

The Ivan Moore poll surveyed 500 people throughout the state on the governor's performance as well as her Alaska Gasline Inducement Act. Fifty percent of those asked said they thought Palin's gas line law would increase the chances of a North Slope pipeline getting built to transport natural gas to the Lower 48. Twenty-one percent of respondents said the gas line law was flawed.

Only 5 percent of those asked said they thought negatively about Palin's work in her six months as governor.

Analysts said Palin's high ratings stem from making good on campaign promises such as getting the gas pipeline legislation passed and promoting a more open government.

FBI - Stevens-1022

"She's managed to communicate well with Alaskans, and that's what popularity is all about," said Randy Ruedrich, the head of the state Republican Party.

The political scandal that erupted this month involving executives from Veco Corp. may have kept her ratings high, said Larry Sabato, a political scientist with the Center for Politics at the University of Virginia.

Veco's chief executive, Bill Allen, and its vice president, Rick Smith, both pleaded guilty on May 7 to charges of federal conspiracy and bribery. They have since resigned from their jobs.

194A-AN-13620-m;475

Three current or former Alaska state lawmakers have been indicted on bribery, extortion and conspiracy charges in the case. Another former legislator was indicted in a separate bribery case.

"She's a woman, anti-establishment and anti-corruption at a time when Alaska is thoroughly embarrassed by the degree of corruption that has been seen by the FBI investigation into lobbyists, business executives and state legislators," Sabato said. "People view her as breath of fresh air."

Palin's ratings in the 80s and 90s are unique but probably unsustainable in the long run, Sabato said.

"You can't please 80 to 90 percent of the people all the time," he said.

Sabato predicted Palin's numbers would fall when she is forced to make her first big, controversial decision.

Palin has in the past dismissed political opinion polls, saying she doesn't rely on them as a gauge of true popular opinion or to get her job done.

Still, her popularity makes it easier to push her agenda, as it was the case with her pipeline bill, AGIA, said David Dittman of the Anchorage research and polling group Dittman Research. Her agenda is also making her more popular, he said.

"People liked the idea of competitiveness, of an open process and not having a pipeline monopoly. They like her, and they like AGIA. So it worked both ways," he said.

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 1-907-586-1531.

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FBI - Stevens-1023

PUBLIC OPINION SURVEY

IVAN MOORE RESEARCH
TEL: 278-4600

Hello, my name is _____ and I'm calling for Ivan Moore Research, an Alaska public opinion research firm. We're conducting a public opinion survey today that should take just a few minutes. Your opinions are important to us, and we'd appreciate your participation if that's OK with you, and of course your responses will be completely confidential.

S1. Is this a residential telephone?
IF "YES", CONTINUE...
IF "NO", TERMINATE...

S2. Are you registered to vote in the state of Alaska?
IF "YES", CONTINUE...
IF "NO", ASK FOR REGISTERED VOTER...

1. I'm first going to read you the names of some public figures, groups and organizations. Please tell me whether your feelings towards them are very positive, somewhat positive, somewhat negative or very negative, or if you have never heard of them?

4 VERY POSITIVE	3 SOMEWHAT POSITIVE	2 NEUTRAL	1 SOMEWHAT NEGATIVE	0 VERY NEGATIVE	WHO?

Sarah Palin:

SARAH PALIN'S RATING:	Count	%	
Very positive	256	50.3%	
Somewhat positive	199	39.0%	
Neutral	30	6.0%	
Somewhat negative	20	3.9%	
Very negative	4	.8%	Mean = 3.341

2. What is your opinion on the Alaska Gasline Inducement Act, or AGIA? Do you think it is a good law that increases the chances of a gasline being built, or do you think it is flawed and will reduce the prospects for a gasline?

OPINION OF AGIA:	Count	%
Good law	253	49.7%
Flawed	107	21.1%
Not sure	149	29.2%

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The following questions are for statistical purposes only.

3. What is your registered party affiliation?

	PARTY AFFILIATION:	
	Count	%
Democrat	88	17.2%
Republican	169	33.1%
Other/No party	253	49.7%

4. When it comes to politics, do you consider yourself to be a conservative, a moderate or a progressive?

	POLITICAL IDEOLOGY:	
	Count	%
Conservative	211	41.5%
Moderate	211	41.5%
Progressive	87	17.0%

5. In what year were you born?

	AGE OF RESPONDENT:		
	Count	%	
18-49	171	34.2%	
50-58	163	32.7%	
59+	165	33.1%	Mean = 53.7 years

6. Of the people living in your household, how many are children or adolescents aged 18 or under?

	NUMBER OF CHILDREN:	
	Count	%
None	331	65.5%
One or more	175	34.5%

7. Are you married or single?

	MARITAL STATUS:	
	Count	%
Married	392	77.0%
Single	117	23.0%

FBI - Stevens-1025

8. GENDER...

	GENDER OF RESPONDENT:	
	Count	%
Male	255	50.0%
Female	255	50.0%

That completes the survey. I have a telephone number for Ivan Moore Research that you can call with any comments, compliments or complaints. Would you like the number? **(278-4600)**

Thank you very much for your help. Goodbye.

THE FOLLOWING AREA VARIABLE WAS COMPUTED USING THE TELEPHONE PREFIX:

	AREAS OF ALASKA:	
	Count	%
Southeast	65	12.8%
Rural Alaska	54	10.6%
MatSu-Kenai-Valdez	104	20.5%
Anchorage	211	41.5%
Fairbanks	74	14.6%

THE FOLLOWING MARITAL BY GENDER VARIABLE WAS COMPUTED USING MEASURED DATA:

	MARITAL STATUS BY GENDER:	
	Count	%
Married males	196	38.5%
Married females	196	38.5%
Single males	59	11.5%
Single females	58	11.5%

FBI - Stevens-1026

	SARAH PALIN'S RATING:			Total
	Positive	Negative	Neutral	Col %
	Row %	Row %	Row %	
PARTY AFFILIATION:				
Democrat	79.1%	9.9%	11.1%	17.2%
Republican	93.8%	3.0%	3.2%	33.1%
Other/No party	89.9%	4.0%	6.1%	49.7%
POLITICAL IDEOLOGY:				
Conservative	94.8%	1.1%	4.1%	41.5%
Moderate	86.8%	5.5%	7.7%	41.5%
Progressive	82.1%	11.5%	6.4%	17.0%
AGE OF RESPONDENT:				
18-49	83.8%	7.2%	9.0%	34.2%
50-58	92.5%	3.3%	4.2%	32.7%
59+	91.3%	3.7%	5.0%	33.1%
NUMBER OF CHILDREN:				
None	91.6%	3.9%	4.4%	65.5%
One or more	84.8%	6.2%	9.1%	34.5%
MARITAL STATUS:				
Married	90.6%	4.4%	5.0%	77.0%
Single	85.2%	5.7%	9.2%	23.0%
GENDER OF RESPONDENT:				
Male	89.8%	4.4%	5.8%	50.0%
Female	88.9%	5.0%	6.2%	50.0%
MARITAL STATUS BY GENDER:				
Married males	91.8%	3.9%	4.3%	38.5%
Married females	89.3%	4.9%	5.8%	38.5%
Single males	83.0%	6.1%	10.9%	11.5%
Single females	87.3%	5.2%	7.5%	11.5%
AREAS OF ALASKA:				
Southeast	83.3%	5.2%	11.5%	12.8%
Rural Alaska	92.3%		7.7%	10.6%
MatSu-Kenai-Valdez	94.5%	3.3%	2.2%	20.5%
Anchorage	88.0%	6.7%	5.3%	41.5%
Fairbanks	88.8%	4.0%	7.3%	14.6%
Total	89.3%	4.7%	6.0%	100.0%

FBI - Stevens-1027

	OPINION OF AGIA:			Total
	Good law	Flawed	Not sure	Col %
	Row %	Row %	Row %	
PARTY AFFILIATION:				
Democrat	42.6%	31.2%	26.2%	17.2%
Republican	47.5%	22.1%	30.4%	33.1%
Other/No party	53.6%	16.9%	29.5%	49.7%
POLITICAL IDEOLOGY:				
Conservative	52.7%	21.0%	26.3%	41.5%
Moderate	50.2%	18.8%	31.0%	41.5%
Progressive	41.1%	26.8%	32.1%	17.0%
AGE OF RESPONDENT:				
18-49	46.7%	20.8%	32.5%	34.2%
50-58	45.1%	22.6%	32.3%	32.7%
59+	57.2%	20.7%	22.2%	33.1%
NUMBER OF CHILDREN:				
None	50.8%	21.2%	27.9%	65.5%
One or more	47.8%	21.1%	31.1%	34.5%
MARITAL STATUS:				
Married	51.9%	20.3%	27.8%	77.0%
Single	42.3%	23.8%	33.9%	23.0%
GENDER OF RESPONDENT:				
Male	52.3%	23.1%	24.6%	50.0%
Female	47.1%	19.0%	33.9%	50.0%
MARITAL STATUS BY GENDER:				
Married males	56.5%	21.6%	21.9%	38.5%
Married females	47.3%	18.9%	33.8%	38.5%
Single males	38.1%	28.1%	33.8%	11.5%
Single females	46.4%	19.5%	34.1%	11.5%
AREAS OF ALASKA:				
Southeast	45.7%	14.2%	40.1%	12.8%
Rural Alaska	60.5%	20.1%	19.4%	10.6%
MatSu-Kenai-Valdez	49.7%	20.5%	29.7%	20.5%
Anchorage	41.0%	27.2%	31.8%	41.5%
Fairbanks	70.0%	11.0%	19.0%	14.6%
Total	49.7%	21.1%	29.2%	100.0%

FBI - Stevens-1028

PUBLIC OPINION SURVEY

IVAN MOORE RESEARCH
TEL: 278-4600

Hello, my name is _____ and I'm calling for Ivan Moore Research, an Alaska public opinion research firm. We're conducting a public opinion survey today that should take just a few minutes. Your opinions are important to us, and we'd appreciate your participation if that's OK with you, and of course your responses will be completely confidential.

S1. Is this a residential telephone?
IF "YES", CONTINUE...
IF "NO", TERMINATE...

S2. Are you registered to vote in the state of Alaska?
IF "YES", CONTINUE...
IF "NO", ASK FOR REGISTERED VOTER...

1. I'm first going to read you the names of some public figures, groups and organizations. Please tell me whether your feelings towards them are very positive, somewhat positive, somewhat negative or very negative, or if you have never heard of them?

4	3	2	1	0	8
VERY POSITIVE	SOMEWHAT POSITIVE	NEUTRAL	SOMEWHAT NEGATIVE	VERY NEGATIVE	WHO?

Bruce Weyrauch:

	BRUCE WEYRAUCH'S RATING:		
	Count	%	
Very positive	2	.5%	
Somewhat positive	21	4.0%	
Neutral	113	22.1%	
Somewhat negative	85	16.7%	
Very negative	94	18.4%	
Who?	195	38.3%	Mean = 1.214

Pete Kott:

	PETE KOTT'S RATING:		
	Count	%	
Very positive	3	.6%	
Somewhat positive	19	3.8%	
Neutral	122	23.9%	
Somewhat negative	88	17.3%	
Very negative	132	25.9%	
Who?	145	28.4%	Mean = 1.106

FBI - Stevens-1029

VECO:

	VECO'S RATING:		
	Count	%	
Very positive	12	2.4%	
Somewhat positive	60	11.7%	
Neutral	61	12.0%	
Somewhat negative	115	22.6%	
Very negative	220	43.3%	
Who?	41	8.0%	Mean = 0.994

Vic Kohring:

	VIC KOHRING'S RATING:		
	Count	%	
Very positive	1	.2%	
Somewhat positive	27	5.3%	
Neutral	92	18.1%	
Somewhat negative	86	16.9%	
Very negative	172	33.9%	
Who?	131	25.6%	Mean = 0.937

Ben Stevens:

	BEN STEVENS' RATING:		
	Count	%	
Very positive	8	1.6%	
Somewhat positive	46	9.1%	
Neutral	54	10.7%	
Somewhat negative	116	22.7%	
Very negative	237	46.5%	
Who?	48	9.4%	Mean = 0.858

Bill Allen:

	BILL ALLEN'S RATING:		
	Count	%	
Very positive	5	.9%	
Somewhat positive	26	5.1%	
Neutral	60	11.8%	
Somewhat negative	71	13.9%	
Very negative	212	41.6%	
Who?	136	26.8%	Mean = 0.769

FBI - Stevens-1030

The following questions are for statistical purposes only.

2. What is your registered party affiliation?

	PARTY AFFILIATION:	
	Count	%
Democrat	88	17.2%
Republican	169	33.1%
Other/No party	253	49.7%

3. When it comes to politics, do you consider yourself to be a conservative, a moderate or a progressive?

	POLITICAL IDEOLOGY:	
	Count	%
Conservative	211	41.5%
Moderate	211	41.5%
Progressive	87	17.0%

4. In what year were you born?

	AGE OF RESPONDENT:		
	Count	%	
18-49	171	34.2%	
50-58	163	32.7%	
59+	165	33.1%	Mean = 53.7 years

5. Of the people living in your household, how many are children or adolescents aged 18 or under?

	NUMBER OF CHILDREN:		
	Count	%	
None	331	65.5%	
One or more	175	34.5%	Mean = 0.71

6. Are you married or single?

	MARITAL STATUS:	
	Count	%
Married	392	77.0%
Single	117	23.0%

FBI - Stevens-1031

7. GENDER...

	GENDER OF RESPONDENT:	
	Count	%
Male	255	50.0%
Female	255	50.0%

That completes the survey. I have a telephone number for Ivan Moore Research that you can call with any comments, compliments or complaints. Would you like the number? **(278-4600)**

Thank you very much for your help. Goodbye.

THE FOLLOWING AREA VARIABLE WAS COMPUTED USING THE TELEPHONE PREFIX:

	AREAS OF ALASKA:	
	Count	%
Southeast	65	12.8%
Rural Alaska	54	10.6%
MatSu-Kenai-Valdez	104	20.5%
Anchorage	211	41.5%
Fairbanks	74	14.6%

THE FOLLOWING MARITAL BY GENDER VARIABLE WAS COMPUTED USING MEASURED DATA:

	MARITAL STATUS BY GENDER:	
	Count	%
Married males	196	38.5%
Married females	196	38.5%
Single males	59	11.5%
Single females	58	11.5%

FBI - Stevens-1032

	PETE KOTT'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	4.6%	51.4%	18.1%	25.9%	17.2%
Republican	5.7%	36.4%	26.5%	31.4%	33.1%
Other/No party	3.5%	45.0%	24.3%	27.2%	49.7%
POLITICAL IDEOLOGY:					
Conservative	6.0%	35.0%	28.0%	31.0%	41.5%
Moderate	3.5%	43.8%	24.7%	28.1%	41.5%
Progressive	3.1%	61.9%	12.1%	22.9%	17.0%
AGE OF RESPONDENT:					
18-49	6.0%	30.2%	27.5%	36.2%	34.2%
50-58	5.0%	47.0%	26.1%	21.8%	32.7%
59+	2.5%	52.9%	18.8%	25.7%	33.1%
NUMBER OF CHILDREN:					
None	4.0%	50.0%	21.8%	24.2%	65.5%
One or more	5.4%	30.8%	28.3%	35.5%	34.5%
MARITAL STATUS:					
Married	5.0%	43.7%	24.4%	26.9%	77.0%
Single	2.5%	41.5%	22.4%	33.5%	23.0%
GENDER OF RESPONDENT:					
Male	3.8%	47.3%	24.9%	23.9%	50.0%
Female	5.1%	39.1%	22.9%	32.9%	50.0%
MARITAL STATUS BY GENDER:					
Married males	4.1%	48.9%	25.2%	21.8%	38.5%
Married females	6.0%	38.5%	23.5%	31.9%	38.5%
Single males	3.1%	42.0%	23.9%	31.0%	11.5%
Single females	1.9%	41.0%	21.0%	36.1%	11.5%
AREAS OF ALASKA:					
Southeast	4.4%	40.3%	22.6%	32.8%	12.8%
Rural Alaska	4.1%	21.8%	26.7%	47.3%	10.6%
MatSu-Kenai-Valdez	4.7%	43.6%	27.3%	24.4%	20.5%
Anchorage	4.6%	53.1%	23.1%	19.1%	41.5%
Fairbanks	4.0%	32.8%	20.5%	42.7%	14.6%
Total	4.5%	43.2%	23.9%	28.4%	100.0%

FBI - Stevens-1033

	VIC KOHRING'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	3.7%	54.7%	14.2%	27.5%	17.2%
Republican	6.4%	45.7%	22.2%	25.8%	33.1%
Other/No party	5.5%	52.9%	16.8%	24.9%	49.7%
POLITICAL IDEOLOGY:					
Conservative	8.7%	42.1%	21.6%	27.6%	41.5%
Moderate	2.8%	51.9%	17.7%	27.6%	41.5%
Progressive	4.0%	69.3%	10.6%	16.1%	17.0%
AGE OF RESPONDENT:					
18-49	6.8%	37.7%	20.1%	35.3%	34.2%
50-58	2.6%	55.5%	20.0%	22.0%	32.7%
59+	7.2%	59.7%	13.8%	19.3%	33.1%
NUMBER OF CHILDREN:					
None	4.9%	56.6%	17.0%	21.6%	65.5%
One or more	6.7%	40.3%	19.9%	33.1%	34.5%
MARITAL STATUS:					
Married	5.8%	50.8%	18.5%	24.9%	77.0%
Single	4.2%	50.9%	16.7%	28.3%	23.0%
GENDER OF RESPONDENT:					
Male	5.1%	55.8%	18.2%	20.9%	50.0%
Female	5.8%	45.8%	18.0%	30.4%	50.0%
MARITAL STATUS BY GENDER:					
Married males	6.0%	56.7%	18.7%	18.6%	38.5%
Married females	5.7%	44.8%	18.3%	31.2%	38.5%
Single males	2.1%	52.9%	16.3%	28.7%	11.5%
Single females	6.3%	48.8%	17.0%	27.8%	11.5%
AREAS OF ALASKA:					
Southeast	1.8%	44.6%	14.5%	39.1%	12.8%
Rural Alaska	6.4%	20.1%	24.7%	48.8%	10.6%
MatSu-Kenai-Valdez	6.8%	63.0%	17.8%	12.4%	20.5%
Anchorage	6.0%	57.0%	17.8%	19.2%	41.5%
Fairbanks	4.5%	43.7%	17.9%	33.9%	14.6%
Total	5.5%	50.8%	18.1%	25.6%	100.0%

FBI - Stevens-1034

	BRUCE WEYRAUCH'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	1.4%	38.6%	24.5%	35.5%	17.2%
Republican	4.8%	27.7%	23.2%	44.3%	33.1%
Other/No party	5.4%	38.7%	20.6%	35.4%	49.7%
POLITICAL IDEOLOGY:					
Conservative	4.0%	28.1%	24.7%	43.2%	41.5%
Moderate	5.3%	35.3%	21.4%	38.0%	41.5%
Progressive	3.9%	51.4%	17.5%	27.2%	17.0%
AGE OF RESPONDENT:					
18-49	5.4%	28.1%	18.3%	48.2%	34.2%
50-58	3.6%	38.4%	25.3%	32.7%	32.7%
59+	3.6%	38.4%	24.4%	33.6%	33.1%
NUMBER OF CHILDREN:					
None	3.7%	37.7%	22.7%	35.8%	65.5%
One or more	6.1%	30.2%	21.4%	42.4%	34.5%
MARITAL STATUS:					
Married	4.4%	35.4%	23.6%	36.7%	77.0%
Single	4.7%	34.0%	17.3%	44.0%	23.0%
GENDER OF RESPONDENT:					
Male	4.2%	37.2%	26.9%	31.7%	50.0%
Female	4.8%	32.8%	17.4%	45.0%	50.0%
MARITAL STATUS BY GENDER:					
Married males	3.8%	38.9%	28.0%	29.3%	38.5%
Married females	5.1%	31.8%	19.1%	43.9%	38.5%
Single males	5.4%	31.8%	23.2%	39.6%	11.5%
Single females	4.0%	36.2%	11.5%	48.4%	11.5%
AREAS OF ALASKA:					
Southeast	17.4%	37.5%	19.7%	25.4%	12.8%
Rural Alaska	3.1%	22.2%	21.9%	52.7%	10.6%
MatSu-Kenai-Valdez	2.6%	35.9%	21.0%	40.5%	20.5%
Anchorage	2.9%	38.6%	23.8%	34.7%	41.5%
Fairbanks	1.3%	31.1%	21.0%	46.6%	14.6%
Total	4.5%	35.0%	22.1%	38.3%	100.0%

FBI - Stevens-1035

	BEN STEVENS' RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	4.3%	74.6%	10.1%	11.0%	17.2%
Republican	18.6%	56.5%	14.8%	10.1%	33.1%
Other/No party	7.6%	75.8%	8.1%	8.4%	49.7%
POLITICAL IDEOLOGY:					
Conservative	15.7%	61.1%	13.1%	10.1%	41.5%
Moderate	6.0%	72.2%	11.2%	10.6%	41.5%
Progressive	9.9%	81.7%	3.7%	4.7%	17.0%
AGE OF RESPONDENT:					
18-49	14.1%	55.2%	15.4%	15.3%	34.2%
50-58	8.4%	73.7%	8.9%	9.0%	32.7%
59+	10.1%	78.6%	8.2%	3.0%	33.1%
NUMBER OF CHILDREN:					
None	9.7%	76.3%	8.1%	5.9%	65.5%
One or more	12.7%	56.0%	15.9%	15.5%	34.5%
MARITAL STATUS:					
Married	10.1%	70.3%	11.5%	8.1%	77.0%
Single	12.6%	65.6%	7.9%	14.0%	23.0%
GENDER OF RESPONDENT:					
Male	8.5%	75.0%	9.2%	7.2%	50.0%
Female	12.8%	63.4%	12.2%	11.6%	50.0%
MARITAL STATUS BY GENDER:					
Married males	6.0%	79.2%	9.7%	5.1%	38.5%
Married females	14.3%	61.4%	13.3%	11.0%	38.5%
Single males	17.1%	60.8%	7.6%	14.5%	11.5%
Single females	8.0%	70.4%	8.2%	13.4%	11.5%
AREAS OF ALASKA:					
Southeast	10.2%	57.2%	19.6%	13.0%	12.8%
Rural Alaska	15.9%	49.2%	12.0%	22.8%	10.6%
MatSu-Kenai-Valdez	7.9%	72.6%	10.5%	8.9%	20.5%
Anchorage	10.4%	79.4%	7.2%	3.0%	41.5%
Fairbanks	12.0%	60.6%	12.0%	15.5%	14.6%
Total	10.7%	69.2%	10.7%	9.4%	100.0%

FBI - Stevens-1036

	BILL ALLEN'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	5.4%	58.5%	11.1%	25.0%	17.2%
Republican	8.1%	46.9%	12.4%	32.5%	33.1%
Other/No party	4.8%	60.0%	11.6%	23.6%	49.7%
POLITICAL IDEOLOGY:					
Conservative	7.8%	50.1%	12.1%	30.0%	41.5%
Moderate	6.0%	56.4%	12.9%	24.7%	41.5%
Progressive	1.7%	66.2%	8.2%	23.8%	17.0%
AGE OF RESPONDENT:					
18-49	7.1%	38.2%	16.0%	38.7%	34.2%
50-58	5.9%	55.1%	12.4%	26.6%	32.7%
59+	5.4%	72.7%	6.7%	15.2%	33.1%
NUMBER OF CHILDREN:					
None	5.1%	63.3%	9.8%	21.8%	65.5%
One or more	7.9%	40.4%	15.7%	36.0%	34.5%
MARITAL STATUS:					
Married	6.6%	56.5%	12.1%	24.8%	77.0%
Single	4.1%	51.8%	10.6%	33.5%	23.0%
GENDER OF RESPONDENT:					
Male	7.0%	62.0%	10.3%	20.7%	50.0%
Female	5.0%	48.9%	13.2%	32.9%	50.0%
MARITAL STATUS BY GENDER:					
Married males	7.0%	65.0%	9.9%	18.1%	38.5%
Married females	6.2%	48.1%	14.3%	31.5%	38.5%
Single males	7.0%	51.8%	11.7%	29.5%	11.5%
Single females	1.2%	51.7%	9.6%	37.5%	11.5%
AREAS OF ALASKA:					
Southeast	4.4%	34.4%	14.7%	46.6%	12.8%
Rural Alaska	8.7%	29.9%	15.1%	46.3%	10.6%
MatSu-Kenai-Valdez	4.1%	68.9%	8.2%	18.8%	20.5%
Anchorage	6.9%	60.3%	12.8%	20.0%	41.5%
Fairbanks	5.8%	59.8%	8.9%	25.6%	14.6%
Total	6.0%	55.4%	11.8%	26.8%	100.0%

FBI - Stevens-1037

	VECO'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	11.3%	68.1%	13.4%	7.2%	17.2%
Republican	21.4%	55.4%	12.8%	10.3%	33.1%
Other/No party	10.3%	72.0%	10.9%	6.8%	49.7%
POLITICAL IDEOLOGY:					
Conservative	19.5%	60.0%	11.7%	8.8%	41.5%
Moderate	12.1%	65.1%	14.3%	8.5%	41.5%
Progressive	6.2%	82.0%	6.8%	5.1%	17.0%
AGE OF RESPONDENT:					
18-49	14.9%	59.6%	12.1%	13.5%	34.2%
50-58	13.1%	68.5%	11.7%	6.6%	32.7%
59+	14.8%	69.2%	12.2%	3.8%	33.1%
NUMBER OF CHILDREN:					
None	13.4%	72.1%	9.6%	4.9%	65.5%
One or more	15.9%	53.3%	16.6%	14.2%	34.5%
MARITAL STATUS:					
Married	14.5%	66.3%	12.2%	6.9%	77.0%
Single	12.9%	64.2%	11.1%	11.8%	23.0%
GENDER OF RESPONDENT:					
Male	15.1%	67.5%	12.3%	5.1%	50.0%
Female	13.2%	64.2%	11.7%	11.0%	50.0%
MARITAL STATUS BY GENDER:					
Married males	15.8%	67.0%	13.3%	3.9%	38.5%
Married females	13.3%	65.7%	11.1%	9.9%	38.5%
Single males	12.9%	69.4%	8.8%	9.0%	11.5%
Single females	12.8%	59.1%	13.5%	14.6%	11.5%
AREAS OF ALASKA:					
Southeast	3.1%	55.5%	20.1%	21.4%	12.8%
Rural Alaska	5.9%	55.3%	18.4%	20.4%	10.6%
MatSu-Kenai-Valdez	24.6%	67.1%	5.5%	2.8%	20.5%
Anchorage	16.5%	68.8%	12.2%	2.4%	41.5%
Fairbanks	8.4%	72.6%	8.4%	10.6%	14.6%
Total	14.2%	65.9%	12.0%	8.0%	100.0%

FBI - Stevens-1038

Corruption case prompts ethics action in Assembly -
INFLUENCE: Convicted felons can't register to be lobbyists on city business.

Anchorage Daily News (AK)
May 23, 2007
Author: KYLE HOPKINS
Anchorage Daily New
Staff

Estimated printed pages: 2

The Anchorage Assembly voted unanimously to tighten city lobbying rules Tuesday night, banning anyone convicted of a felony from registering as a lobbyist.

"What we're trying to do is basically maintain the integrity of those who try and influence public officials," said Assemblyman Dan Sullivan, who co-sponsored the proposal along with Assemblyman Paul Bauer.

Bauer has said he proposed the changes partly because Anchorage's most prominent lobbyist, Bill Bobrick, had been linked to the corruption case against former Anchorage Rep. Tom Anderson. Bobrick has pleaded guilty to conspiracy to bribe Anderson, and no longer has any clients before the city, according to the latest city lobbyist lists.

Only one person -- Jed Whittaker, who left right after he spoke -- testified about the changes. He told Assemblymembers they allowed Bobrick to influence them for years without complaint until now.

"If you really want to say to the public that you cannot be bought, then pass an ordinance that publicly funds elections to the Assembly," Whittaker said.

No one on the Assembly had any questions for him.

The new guidelines adopted Tuesday say a person can't register to lobby city officials if he or she has been convicted of a felony within the previous 10 years.

Ethics may be a hot topic in Alaska but the lobbying rules drew little attention. By the time Assembly members were deep in debate over how to define the type of crimes would-be lobbyists aren't allowed to commit and how much to charge them for registration, two people sat in the audience.

Preparing for a few weeks off from regular meetings, the Assembly ended the meeting relatively early. Assemblywoman Debbie Ossiander said fumes from a large, smelly new screen -- used to view voting results -- behind the Assembly seats was giving her a headache.

Daily News reporter Kyle Hopkins can be reached at khopkins@adn.com or 257-4334.

Caption:

ERIK HILL / Anchorage Daily News

Bill Bobrick, who pleaded guilty last Wednesday to conspiracy to bribe former Rep. Tom Anderson, was the most prominent lobbyist in Anchorage. City officials decided to tighten lobbying rules.

Caption:

Photo 1: BillDSC_0020_052307.jpg

Edition: Final
Section: Alaska
Page: B1

FBI - Stevens-1039

194A-AN-13620-MJ-476

Lobbyists with felony convictions face ban -
ASSEMBLY: Spotlight on ethics in state politics may bring issue to a vote tonight.

Anchorage Daily News (AK)
May 22, 2007
Author: KYLE HOPKINS
Anchorage Daily News
Staff

Estimated printed pages: 3

Until he pleaded guilty to conspiracy to bribe a state politician, Bill Bobrick was the go-to guy if you wanted to lobby the Anchorage Assembly.

Tonight that same Assembly -- some of whom got frequent campaign donations from Bobrick -- could decide whether to ban him or anyone convicted of a felony from lobbying.

Bobrick's plea was the latest in a string of corruption cases that saw four current or former state lawmakers indicted and two corporate executives admitting to bribery.

The proposal now before the city would bar felons from registering as lobbyists within 10 years of their conviction, and considering the spotlight on ethics in Alaska politics, Assembly members said this won't be a hard decision.

"I don't think we have really any choice," said Assemblyman Dick Traini, who plans to vote for the new rules.

Assembly chairman Dan Coffey said he expects the proposal to succeed tonight.

"I can't image that it wouldn't in this climate," he said.

Assemblyman Paul Bauer proposed the new lobbying rules at least partly because of Bobrick's case, Bauer said last week.

Compared with the scores of people lobbying the state Legislature, the pool is relatively small in Anchorage. Bobrick was the biggest fish, representing a dozen clients last year. According to the latest city list, he no longer has any clients.

Bauer and Bobrick aren't friendly, but the longtime lobbyist has supported many past and current city leaders. Over the years, he donated thousands of dollars to the political campaigns of Mayor Mark Begich and at least $1,000 each to Assembly members Allan Tesche, Dan Sullivan, Traini and Coffey, according to state records.

Though he rarely sides with Bauer and Sullivan, who co-sponsored the new rules, Begich said Monday he supports the proposal.

"I have no problem with it," he said.

Assembly members said Bobrick's past contributions won't influence their vote.

"It's just business," said Traini, who also talked about how the spotlight has been hard on Bobrick's family and said the lobbyist has "done a lot of good things for this town" with groups such as Standing Together Against Rape.

Tesche said it's no surprise that many city leaders received money from Bobrick: "Understand that he is Anchorage's almost exclusive full-time lobbyist, so one would expect him to be involved in a number of campaigns if he's the only guy in town."

Coffey, who said during his most recent campaign that he doesn't accept money from lobbyists, returned Bobrick's donation according to his campaign disclosure reports.

Sullivan co-sponsored Bauer's proposal and downplayed Bobrick's donations to his campaign, saying the lobbyist probably gave them only begrudgingly.

Bobrick couldn't be reached for comment Monday.

Tesche, who appeared at Bobrick's plea hearing last week, proposed new ethics rules of his own that will also be discussed tonight: He wants to bar city leaders from putting pressure on companies that do business with the city to hire or fire specific people. Bauer couldn't be reached for an interview Monday, but said last

FBI - Stevens-1040

194A-AN-13620-M;477

week the new lobbying rules are meant to protect the public trust.

"I don't want us turning into the Alaska state Legislature," he said.

Bobrick has agreed to testify against former Anchorage Rep. Tom Anderson and admitted to a scheme to funnel money to Anderson through a sham corporation. In December, Anderson pleaded not guilty to bribery, extortion and other charges.

Last year, Anderson registered to lobby the city too.

Daily News reporter Kyle Hopkins can be reached at khopkins@adn.com.

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Page: B1

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FBI - Stevens-1041

Drag political cesspool out of Juneau

Anchorage Daily News (AK)
May 22, 2007
Author: JOHN STROHMEYER
COMMENT
Commentary

Estimated printed pages: 3

"What oil had finally learned was that sending smooth-talking lawyers to lobby the freewheeling legislators in Juneau was futile. Alaskans suspected Outsiders, particularly Outsiders in Brooks Brothers suits. The oil firms looked for an Alaskan voice and they found one in Bill Allen, the head of Veco International Inc., an oil services company that held lucrative contracts in the Prudhoe oil patch. ... Oil rewarded Veco with a steady flow of oil field contracts that in turn produced big money at campaign time."

That is an excerpt from my book, "Extreme Conditions -- Big Oil and the Transformation of Alaska," first printed in 1993. So for 14 years we and anyone else reading this nationally published book knew that Allen was Big Oil's fixer in the Alaska Legislature. Not that oil wanted political power for its own sake. It wanted to control how it was taxed, to protect the cost of doing business from the vagaries of the political system as long as oil flowed. With Allen calling the shots, his endowed legislators made sure that what oil wanted, oil got.

After a few weeks watching the Legislature back then, I was shocked to see how primitive was the political culture that reigned in Juneau. The real business of the Legislature was done in the corridors, which were lined with lobbyists. Anyone could see the selling of Alaska firsthand. Not only were private interests instructing their legislative pigeons, but school districts, municipalities and even nonprofits among others seeking favors posted lobbyists to buttonhole the lawmakers greased with campaign money or promises of support. Once sessions were under way, I was astounded to see legislators actually look to the gallery for signals from their lobbyists on how to vote.

When the day's sessions ended, the wooing games did not. Lobbyists just walked a few blocks down to the Baranof Hotel where they dined legislators or met them in private suites in the hotel, out of sight of the public, of course. If some of us wondered what transpired behind those locked doors, we need wonder no more. Consider the admissions made last week by Veco's Bill Allen and his vice president, Rick Smith, in pleading guilty of bribing four legislators:

* In Suite 604 at the Baranof during the 2006 legislative session, one bribery deal was recorded by the FBI as follows: Allen had told Rep. Pete Kott of Eagle River to defeat a gas line amendment and asked for what was apparently a progress report. "I had to cheat, steal, beg, borrow and lie," Kott said. Allen's reply, "I own your ass."

* In a second recording in the same suite, Rep. Vic Kohring asked Allen for a $17,000 loan and asked Smith if he had any hundreds in cash on him. Smith pulled out his wallet and handed a roll of bills to Allen, who in turn handed over the estimated $500 to Kohring.

This is about as crass as bribery can get. But such is the environment in Juneau. It is a cesspool for political corruption. There are no whistle-blowers in the legislative chambers. Legislators learn soon they are accountable to each other more than to the people they represent. How else can you explain the lack of legislative outrage when Senate president Ben Stevens, R-Anchorage, who was paid a total of $243,250 by Veco, prevailed without challenge last year in the thick of the negotiations over oil and gas taxes.

The federal government's routing of Alaska's principal bribers and indicting several of the alleged bribe-accepting legislators are a welcome short-term cleanup. But it does not get to the roots of reform so badly needed. Our problem is the evil political environment that has festered so long in Juneau.

FBI - Stevens-1042

The only long-range way to fix the problem is to take the Legislature out of Gomorrah. Move the capital out of Juneau. Relocate it somewhere where the people can drive to it, where they can monitor their legislators, and where they can see which lawmakers try to do business behind locked doors.

John Strohmeyer is a Pulitzer Prize-winning journalist and author of "Extreme Conditions -- Big Oil and the Transformation of Alaska."

Photo 1: STROHMEYER_BW_052207.jpg

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Section: Alaska
Page: B4

194A-AN-13620-M; 478

Colorado company interested in Veco -
BID TO BUY: CH2M Hill signs a letter of intent to discuss the purchase.

Anchorage Daily News (AK)
May 19, 2007
Author: WESLEY LOY
Anchorage Daily News
Staff

Estimated printed pages: 4

A Colorado company is negotiating to buy scandal-plagued Veco Corp., the Anchorage oil-field services and construction company whose former chief executive pleaded guilty this month to federal bribery and conspiracy charges.

CH2M Hill, based in the Denver suburb of Englewood, and Veco have signed a letter of intent giving the Colorado engineering firm an exclusive 90-day period to discuss a purchase, John Corsi, a CH2M Hill spokesman, said Friday.

The sale is not guaranteed, as the firm must do a management and legal review of Veco, Corsi said.

"This has to fit both ways," he said.

Neither of the privately held companies disclosed any proposed terms Friday.

Veco is one of the largest companies in Alaska, with about 2,000 employees in the state and a similar number in operations around the world.

"The business combination with CH2M Hill is an excellent opportunity to move our company forward," said Tammy Kerrigan, who took over as Veco chairwoman after her father, Bill Allen, pleaded guilty May 7 and subsequently stepped down from his corporate posts.

"CH2M Hill is consistently recognized as one of the most respected companies in the engineering and construction industry and we are very interested in the significant value created for our clients by combining the skills and resources of the two firms," said Kerrigan, of Grand Junction, Colo. "This transaction would also provide a great home for our dedicated and skilled work force."

"We are very enthusiastic about the prospect of this deal. The outstanding employees at Veco are respected worldwide for their heritage of service to the energy industry," said Rob Smith, president of CH2M Hill's energy, chemicals and industrial systems business group. "Their commitment to client service would be an excellent fit with CH2M Hill's culture. Veco's core energy business and locations fit our corporate growth strategy extremely well."

CH2M Hill is an engineering, construction, management and design firm with $4.5 billion in revenue last year. The firm is owned entirely by its employees, and no employee owns a dominant share, Corsi said.

Veco is heavily involved in oil-field services and construction on the North Slope, and also has projects in the Lower 48, Canada, Barbados, Russia's Sakhalin Island and the Middle East. The company has annual revenue reaching $1 billion, Allen has said.

The Allen family owns much of Veco.

Allen, who helped build Veco starting in 1969, pleaded guilty to bribing state lawmakers in exchange for their votes or influence on legislation important to the oil industry, including last year's production tax reform.

FBI - Stevens-1043

Another Veco executive, Rick Smith, also pleaded guilty to federal charges, and both he and Allen face probable prison time.

Amy Menard, an attorney for Veco, had said in the wake of the guilty pleas that FTI Consulting Inc., a large Baltimore-based firm, would review the company's corporate operations and practices, with initial results expected by this week. Menard did not return a phone call seeking comment Friday.

Federal authorities have not accused Veco, as a company, of any crime.

THE ALASKA WORK

Among Veco's major customers is British oil giant BP, which runs Prudhoe Bay, the nation's largest oil field.

BP spokesman Daren Beaudo offered a prepared statement on Veco's possible sale:

"CH2M Hill is a respected international company. Our interest is in a solution that would allow thousands of hard-working Alaskans to continue to provide quality oil-field services on the North Slope and elsewhere."

One of Veco's main rivals for oil-field contracts in Alaska is ASRC Energy Services, a unit of Arctic Slope Regional Corp., the Barrow-based Native corporation for the North Slope. The company had no comment Friday on the possible emergence of a larger competitor in CH2M Hill, ASRC spokeswoman Carol Richards said.

CH2M Hill has a deep history of work in Alaska, Corsi said.

It began with the devastating 1964 Alaska earthquake, which spawned business for the company from the U.S. Army Corps of Engineers, he said.

The firm has an office on Northern Lights Boulevard in Anchorage, and its 70 Alaska employees work on energy, transportation, water and environmental projects, Corsi said.

Clients include the Corps, the Defense Department, the state Department of Transportation, the North Slope Borough, the City of Anchorage, the Alaska Department of Fish and Game, energy companies and others.

The name CH2M Hill is built from the initials of its four founders -- including two named Howland and Hayes -- plus the name of a firm, Hill, picked up in a merger.

"The CH2M Hill enterprise, dating back to 1946, is built on honesty, ethics and morals," according to its Web site.

Daily News reporter Wesley Loy can be reached at wloy@adn.com or 257-4590.

ONLINE: Visit the Web to read past stories of the FBI investigation, the political corruption charges and the guilty pleas from top Veco officials.

adn.com/corruption

* What: Global engineering, construction, management and design company

* Headquarters: Denver

* 2006 revenue: $4.5 billion

* Employees: 19,000

* History: Founded in 1946 in Corvallis, Ore.

* Alaska connection: Firm has an Anchorage office and 70 Alaska employees. Has worked on more than 3,000 Alaska projects since the 1964 earthquake. Clients include state Department of Transportation, Army Corps of Engineers, City of Anchorage, North Slope Borough, energy companies.

* Web site: www.ch2m.com

CH2M Hill

FBI - Stevens-1044

Photo 1: DimondGrad003_051907.jpg

Photo 2: DimondGrad005_051907.jpg

Photo 3: Brian Massey_051907.jpg

Photo 4: Mizuki Takahashi_051907.jpg

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Section: Main

Clean ills with public election funding -
COMPASS: POINTS OF VIEW FROM THE COMMUNITY

Anchorage Daily News (AK)
May 18, 2007
Author: STEVE CLEARY
Commentary

Estimated printed pages: 3

After the Veco bribery and corruption scandal enveloped Juneau, the governor and the Legislature immediately began to talk about solutions. The Legislature strengthened laws governing ethics, including requiring full disclosure of payments our citizen legislators receive, which will help. But it won't address the systemic problem undermining Alaska politics.

The Veco scandal was not simply a few bad apples. If this scandal shows us anything, it's that we need to address the whole tree, starting with the roots. And the root, as we all know, is money.

That's why the Alaska Public Interest Research Group is proposing a real solution to corruption in politics -- "Clean Elections." Clean Elections are publicly funded elections, in which candidates gather a required number of signatures and small donations to qualify for public funding. Candidates also agree to strict spending limits in exchange for the funding.

This rids campaign politics of the special-interest money that floods the political scene each election.

While Veco executives admit to having bribed a handful of legislators outright, Veco employees have contributed to dozens of campaigns. In fact, Veco campaign contributions to state candidates total nearly $600,000 in the past decade. Going back further, to 1990, Veco, its employees and their family members gave the state and national Republican parties, GOP congressional candidates and President Bush slightly more than $1 million, according the Center for Responsive Politics.

With Clean Elections, corporations and special interests can't buy their way into the halls of government with large campaign contributions. Special interest money is simply taken out of the equation. This puts people back in charge of the electoral process and their democracy. Candidates are no longer beholden to a small number or large donors, but are free to serve the actual voters that elected them.

Clean Elections laws are working in other states and localities -- from Maine to Arizona. In Arizona, after four election cycles using Clean Elections, 83 percent of voters support the system. The current governor of Arizona was elected using Clean Elections financing, as were the secretary of state, attorney general, and 38 of the state's legislators.

In Maine, the system is equally popular. Eighty-one percent of candidates used Clean Elections financing in 2006, up from 78 percent in 2004, and 60 percent in 2002. An April 2007 report by the Maine Commission on Governmental Ethics and Election Practices finds that Clean Elections has sharply reduced private contributions to candidates; provided more choices for voters; controlled the growth in spending by legislative candidates; and leveled the playing field between candidates for public office.

In Connecticut in 2004, Gov. John G. Rowland resigned from office during a corruption investigation. He later pleaded guilty in federal court to conspiracy to commit fraud and served 10 months in a federal prison. This and other scandals cost the state tens of millions of dollars. In reaction, the Connecticut Legislature became the first legislature to pass Clean Elections legislation, in late 2005.

As Sen. Bill Wielechowski noted when talking about Clean Elections and Veco's effect on the petroleum production tax, Alaska has potentially lost $1 billion a year because votes were traded for money and campaign contributions. Alaska cannot afford to let that continue. The system must change.

Alaskans are still in shock from the recent indictments and future indictments that certainly loom. The public's trust in elected officials is severely shaken. It is time that the governor and the Legislature embrace real reform and bring Clean Elections to Alaska.

Steve Cleary is executive director of Alaska Public Interest Research Group in Anchorage. The Daily News welcomes Compass submissions of 675 words or less. Send to compass@adn.com and include a daytime phone number.

Photo 1: 18compass_Cleary_051807.jpg

FBI - Stevens-1045

194A-AN-13620-M; 480

BUILDING ANCHORAGE

Anchorage Daily News (AK)
June 1, 2007
Author: Staff

Estimated printed pages: *2*

14 floors of Class A space

What: JL Tower, a 14-floor office building containing about 300,000 square feet of space, is located in Centerpoint Business Park in Midtown. It is classified as the high end of the "Class A" market, and tenants will include national companies, law and accounting firms, and oil companies, said Leonard Hyde, president of JL Properties. The tower will also feature a large lobby with a cafe, conference center and health club for tenants.

Where: 3700 Centerpoint Drive

Cost: More than $60 million

Contractors: Davis Constructors and Engineers, general contractor; Rim Architects, design; DOWL Engineers; Alcan Electric; Superior Plumbing and Heating; and Sampson Steel Co. Inc.

Why: "We perceive a demand for very high-quality office space in Anchorage," Hyde said, adding that the vacancy rate is very low here. "Our economy continues to grow, and there have been very few large 'Class A' buildings built here in the last 25 years." JL is partnered with Washington Capital Management -- a Seattle company that manages union pension funds. This entire project is being done with union labor, Hyde said.

When: Completion is scheduled for March.

Caption:
ERIK HILL / Anchorage Daily News

JL Tower, a 14-floor office building containing about 300,000 square feet of space, is located in Centerpoint Business Park at 3700 Centerpoint Drive. It will include national companies, law and accounting firms, and oil companies, said Leonard Hyde, president of JL Properties. Completion is scheduled for March.

FBI - Stevens-1046

194A-AN-13620-M;481

Special session is set for fall -
LEGISLATURE: Gov. Palin wants to revisit oil tax, but not in Juneau.

Anchorage Daily News (AK)
May 18, 2007
Author: SABRA AYRES
Anchorage Daily News
Staff

Estimated printed pages: 3

Gov. Sarah Palin said Thursday she intends to call state lawmakers into a special session this fall to revisit the Petroleum Production Tax and would be looking to save money by holding the meeting somewhere other than Juneau.

In declaring her plans less than 12 hours after the regular legislative session ended for the year, Palin did not specify another venue, but hinted Anchorage would be a contender because of the city's proximity to a large percentage of lawmakers.

"We're not moving the Legislature, and we're not moving the capital," the governor said. "But we'll be looking for somewhere to meet that will be less expensive."

Palin said the previous Legislature spent an "outrageous" $2.1 million on special sessions. The government must pick up the bill for legislators' travel costs to a special gathering and for housing costs while House and Senate members are in session. State lawmakers went through three special sessions last year and one in 2005.

Juneau has been the capital of the state since territorial times. The prospect of moving state government elsewhere has been raised several times in the state's history and always creates heated resistance in the Southeast Alaska city.

"We do get concerned when the Legislature contemplates meeting in a place other than Juneau," Juneau Mayor Bruce Botelho said Thursday.

Botelho, who served as state attorney general from 1994 to 2002, said, "But Palin has been clear that Juneau is the capital, and I don't think this is a situation that should trigger a three-alarm fire."

Proponents of moving the capital say Juneau is too isolated from the rest of the state, making it difficult for voters to access their state government. With no roads in or out of the city, Juneau can be reached only by plane or ferry. Lawmakers whose planes have been delayed because of bad weather say they have had to miss critical session days.

Palin said the recent guilty pleas from two Veco Corp. executives who admitted to bribing legislators during last year's approval of the PPT was evidence enough that a thorough review of the tax law was warranted.

"Our oil tax formula was changed under a dark cloud of suspicion," she said Thursday.

When the PPT was created, it fundamentally changed the way the state taxes oil producers, and supporters of the tax structure were hopeful it would bring more revenue into state coffers. But first receipts last month came in $137 million short of projections.

LOOPHOLE ALSO ON AGENDA

Bill Allen and Rick Smith of Veco have pleaded guilty to charges they paid off lawmakers in exchange for their influence during the PPT debate in the Legislature. One current and two former lawmakers face related bribery and extortion charges.

Palin announced after the indictments earlier this month that her administration would begin examining how effectively the tax was working.

The governor said she would ask lawmakers during the special session to take up a bill dealing with a loophole in oil tax expenditures left hanging after Wednesday night's late adjournment.

FBI - Stevens-1047

The bill, which more than half the members of the Legislature endorsed, would keep oil companies from deducting for pipeline repairs in cases of "improper maintenance."

House Minority Leader Beth Kerttula, a Democrat who represents Juneau, said she was happy to hear the governor intended to ask the Legislature to take up the tax again.

194A-AN-13620-M;482

She stressed that she was not worried that Palin, a Wasilla native, was trying to move the capital.

Holding public hearing and testimony in another Alaska city to involve more of the public would benefit the entire state, particularly on a tax law debate that "didn't go right the first time," Kerttula said.

"This is a pragmatic governor," she said. "I'm sure she will be willing to work this out with us. I'm not concerned she meant anything more than that."

If it came down to drafting new tax legislation and voting on it, lawmakers would need to be in Juneau to access the expertise of the Legislature's legal and finance offices located in the capital, said Rep. Kurt Olson, R-Soldotna.

"We can't do it without them, and it would be too expensive to move anywhere else," he said.

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 1-907-586-1531.

Caption:

CHRIS MILLER / The Associated Press

Alaska Gov. Sarah Palin, right, discusses the results of the legislative session Thursday in Juneau. At left is Karen Rehfeld, the governor's budget chief.

Caption:

Photo 1: 18AKCM101Alaska_Governo_051807.jpg

Photo 2: 18NY122World_Bank_Wolfo_051807.tif

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Dateline: JUNEAU

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FBI - Stevens-1048

Wasilla can do better than self-serving Kohring -
COMPASS: POINTS OF VIEW FROM THE COMMUNITY

Anchorage Daily News (AK)
May 18, 2007
Author: KATHIE WOLF
Commentary

Estimated printed pages: 3

Apparently, Vic Kohring believes he is the only state employee that isn't paid too much, since he thought it was OK to take money and favors from Veco. Whether or not found guilty of the federal indictment against him, his actions show his main concern is not his constituents and raise questions about who Kohring truly represents.

This is not the first time he has performed questionable activities, only the first indictment.

In 2005, Kohring went to the mayor of Fairbanks North Slope regarding changing the law to increase a tax break for an Anchorage-based developer. His actions were that of a lobbyist, not lawmaker.

In 2003, he helped pass HB 69, crafted by a Colorado company holding gas leases scattered through parts of Mat-Su. The bill removed citizen's rights to say how coal-bed methane drilling would be introduced and pulled the teeth from local government when it came to regulatory shallow gas drilling.

Perhaps, if I owned a house in Oregon as Kohring, I wouldn't have been as disturbed about having coal-bed methane drilling in the Valley, either. After all, it's not his backyard.

In 2006, he was an adviser to Marc Marlow, who made a proposal to build an 80-megawatt coal fired plant at Port MacKenzie. Once again, Kohring put himself into conflict of interest between representing Valley constituents and as business adviser to Mr. Marlow. Kohring's pattern of playing both sides of the fence doesn't do well for the people of Wasilla.

In 2000, Kohring claimed more "optional" per diem than any other legislator and in 2002, he received $1,740 per diem when absent from the capital for 10 days, seven of which he spent at his Oregon home where his wife and stepdaughter reside.

And this was in the first 19 days of session.

According to the indictment, Kohring, an Alaska state representative, on-the-side consultant and self-described frugal person, cannot pay his credit card debt.

As a representative he makes financial decisions every day that affect Alaskans and appears not able to manage his own finances.

Perhaps even sadder than Kohring is that the majority of people in District 26, Wasilla, seem to feel this is the best person they can get to represent them. I read his aides claim some are talking about creating a defense fund for him.

People, please take off the blinders! His motto may not have changed but the man has. When Kohring and several other Republicans were elected in 1994, their slogan was "throw the bums out." Two of those people, Bev Masek and Scott Ogan, have already left the Legislature, both under dubious circumstances.

I believe in the saying "what goes around, comes around," and now is the time. I hope Mr. Kohring resigns, but if not, let's throw the bum out.

FBI - Stevens-1049

Kathie Wolf lives in Wasilla.

Caption:

CHRIS MILLER / The Associated Press

Rep. Vic Kohring, R-Wasilla, right, talks with Rep. Jay Ramras, R-Fairbanks, on the House floor in Juneau earlier this month. A federal grand jury indicted Kohring on May 4 for conspiracy to commit extortion and bribery.

Caption:

Photo 1: 7kohring1_051807.jpg

194A-AN-13620-M;483

Top lobbyist admits scheme -
Influence money funneled to Rep. Tom Anderson, Bobrick testifies
BILL BOBRICK'S LEGISLATIVE CONSPIRACY

Anchorage Daily News (AK)
May 17, 2007
Author: LISA DEMER
Anchorage Daily News
Staff

Estimated printed pages: 5

Lobbyist Bill Bobrick admitted in federal court on Wednesday that he conspired to bribe former state Rep. Tom Anderson.

Asked by U.S. District Judge John Sedwick how he pleaded to a felony charge of conspiracy, Bobrick answered in a clear, steady voice: "Guilty, your honor."

For years, Bobrick has stood out in Anchorage as the lobbyist claiming the -longest list of private clients with city business. Some of the biggest players in the development and retail worlds have hired him over the years, including JL Properties, Wal-Mart Stores and Marlow Development Corp. This year, he had five clients, but all say they have dropped him in recent days and weeks because of his legal troubles.

"I've been a professional lobbyist for the last 20 years," Bobrick said at Wednesday's court hearing.

He accepted responsibility for a scheme to funnel payments to Anderson through a sham company so the legislator would do the bidding of a private corrections company. Details of the company in court filings match a description of Cornell Companies Inc. of Houston, Texas, which has tried and failed to win support for a private prison in Alaska.

The conspiracy to commit extortion, bribery and money laundering started in July 2004 and continued until March 2005, charging documents say. In all, $26,000 changed hands, court papers say.

Bobrick, 52, now is cooperating with the government. He has agreed to testify against Anderson, who was indicted in December on seven charges including bribery, extortion and money laundering. Anderson has pleaded not guilty.

Bobrick will be sentenced after Anderson's trial, which is scheduled to begin June 25. Bobrick faces 2 to 21/2 years under sentencing guidelines, but that can be reduced based on his cooperation.

"The judge was pretty clear today. It's a serious crime. He might give you a sentence that is more than the government recommends. That is a risk that Bill decided to take because he wants to do the right thing. He is really trying to move forward," said Doug Pope, Bobrick's defense lawyer.

At one point in the hearing, as the judge questioned Bobrick on whether he was suffering from any condition that could impair his judgment, the accused man said he was being treated for depression. He said he takes medication and receives counseling, but didn't feel his condition affected his ability to go forward.

RELEASED ON BOND

Anchorage Assemblyman Allan Tesche sat next to Bobrick's sister Elizabeth in the courtroom. When the 30-minute hearing ended, prosecutor Joe Bottini huddled for a moment with Bobrick.

Tesche shook Bobrick's hand but wouldn't talk to reporters. Elizabeth Bobrick said she didn't want to be interviewed either. She came from her home in Connecticut to be with her brother, Pope said.

FBI - Stevens-1050

Bobrick was stone-faced as he walked out of the courtroom and into another area for processing. He didn't acknowledge a request for comment.

Essentially, Bobrick now must be ready for "continuous cooperation with the government," Pope said. "It's out of my hands."

Bobrick was released on a $5,000 unsecured bond. With permission of a federal probation officer, he'll be allowed to travel out of state, including to visit his wife, a medical student in Minnesota.

According to court papers, an FBI informant working for the corrections company paid $24,000 to Bobrick's Pacific Publishing. Bobrick gave $10,828 to Anderson and kept the rest, the documents say. Anderson later

194A-AN-13620-m;484

complained he wasn't getting enough and was paid another $2,000 by the government informant, according to the indictment against him.

Bobrick created Pacific Publishing to ostensibly publish a Web site about Alaska government and politics that Anderson would write for. But in reality, the company was just a way to get money to Anderson and hide the real source, court papers say.

In a secretly recorded conversation on July 21, 2004, Bobrick told the informant that he and Anderson were "pitching a bunch of people" to try to get money for Anderson. If the corrections company paid up, Anderson would be "our boy in Juneau," Bobrick told the informant.

Between August 2004 and March 2005, Bobrick was aware of "multiple official acts" that Anderson took to benefit the government informant, the charging document said.

CLIENTS CUT TIES

All five clients Bobrick worked for this year have cut their professional ties to him. They are: Marlow Development Corp.; garbage hauler Alaska Waste; Lantech, a surveying company; Cook Inlet Housing Authority; and mall developer P.O'B. Montgomery.

"You need to have the confidence of elected officials that you are dealing with them on the straight up," developer Marc Marlow said. He had turned to Bobrick for help on a number of projects, including a tax break for the renovated McKinley Tower downtown. He said he severed his relationship with Bobrick in April after news broke about the coming guilty plea.

Lantech vice president Tom Dreyer said the company gave Bobrick the benefit of the doubt in recent months, but in the past few days saw what was coming. The company had hired him to monitor the Anchorage Assembly, which has been rewriting the city's land use code.

Bobrick worked as a technical consultant to the housing authority on a tax break it just won for an 80-unit development in Muldoon, said Amy Burnett, a spokeswoman for Cook Inlet Housing. In mid-April, it canceled its contract, she said.

Alaska Waste inherited the Bobrick lobbying contract when it bought the assets of Waste Management in May 2005, said Bobby Cox, general manager of Alaska Waste. But now its relationship with him is over, too.

Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

Who did Bill Bobrick work for?

Bill Bobrick long was the lobbyist in Anchorage with the most clients doing business before the city. The following list comes from his reports to the municipal clerk's office from 2001 through 2007. He worked for some just a year or two; for others longer. He no longer has any clients because of his legal troubles.

Alaska Interstate Construction LLC

Alaska Regional Hospital

Alaska Waste

American Fast Freight

Anchorage Board of Realtors

Anchorage Cultural Council

Anchorage Downtown Partnership

Anchorage Home Builders -Association

Anchorage Horticulture Coalition

Anchorage Mutual Housing

Anchorage Neighborhood Housing Services

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Anchorage Police Department Employees Association

Anchorage Refuse

Anti-Tobacco Coalition

Carr-Gottstein Properties

Compass Northwest LLC

Cook Inlet Housing Authority

Cornell Companies Inc.

Eklutna Inc.

Forest Heights LLC

Goldenview Land Co.

International Association of Fire Fighters Local 1264

JL Properties

Lantech

Marc Marlow

Marlow Development Corp.

Marlow Towers LLC

Paratransit Services

P.O'B. Montgomery

Siebert Brandford Shank and Co.

Simon Property Group

Smart Growth

Wal-Mart

Waste Management

White Raven Development

Williams Alaska Petroleum Inc.

INSIDE

CLIENT LIST: See who Bobrick worked for.

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TO READ the Bobrick charging document, plea agreement, political corruption timeline and more political stories, visit

adn.com/corruption

Caption:

ERIK HILL / Anchorage Daily News

Bill Bobrick leaves the Federal Building downtown Wednesday morning accompanied by sister Elizabeth Bobrick of Connecticut after pleading guilty to a single count of conspiracy in U. S. District Court.

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Anchorage Daily News

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Six vie for Peninsula mayor's job

Daily News staff

(Published: August 17, 2005)

Six candidates will compete in the Oct. 4 election for Kenai Peninsula Borough mayor, including a former state senator, a longtime Kenai city mayor, the current borough Assembly president, and a top aide to the incumbent mayor, Dale Bagley, who is prevented by term limits from seeking a third term.

Signs have already sprouted around the borough for the race for mayor, the most important local office in the region. In the Kenai Peninsula's strong-mayor system, the elected mayor serves as borough administrator and manager.

With so many candidates, an Oct. 25 runoff election is anticipated, borough officials say. A candidate would have to win more than 50 percent of the vote to win outright in the first round.

Candidates for the nonpartisan office include:

• John Torgerson, a former Republican state senator from Kasilof. A borough Assembly member before going to Juneau, he has recently served the Murkowski administration with posts in agriculture and the ferry system.

• John Williams, mayor of the city of Kenai for 18 years. A longtime Democrat, he ran unsuccessfully for lieutenant governor in 2002.

• Gary Superman, a three-term borough Assembly member from Nikiski currently serving as president.

• Ed Oberts, a Soldotna resident and longtime assistant to Bagley. He has not held elective office, other than serving on a local emergency services area board.

• Raymond VinZant, a Soldotna resident who has made several previous unsuccessful runs for office, including as Republican Moderate candidate for governor in 2002.

• Fred Sturman, a Soldotna resident active in a local government-spending watchdog group, the Alliance of Concerned Taxpayers.

The deadline for candidates to file was Monday.

Voters will also fill several borough Assembly and School Board seats and decide on five ballot propositions.

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Ex-state senator spending his own money in Kenai legislative race

The Associated Press

(Published: July 30, 2004)

KENAI (AP) - Former state Sen. Jerry Ward has dumped nearly $140,000 of his own money into his campaign to unseat incumbent Sen. Tom Wagoner, according to figures from the Alaska Public Offices Commission.

In a campaign summary Monday, Ward listed some $21,000 in monetary contributions from others, another $4,830 in non-monetary contributions and $124,126 in "candidate contributions," meaning funds from Ward's own bank account or credit card. Ward previously had contributed another $10,000 of his own money.

Wagoner, R-Kenai, told the Peninsula Clarion it is appalling that someone would spend that much on a campaign.

"That's the most obscene thing in the world," he said. "I can't imagine the people letting someone spend that kind of money out of their own pocket to try and buy a Senate seat. The voters of District Q are a little more sophisticated than that."

Ward said he's spending much of his own money because he no longer appears to have the backing of some campaign investors.

"I think what we have in Alaska is that special interests and large corporations tend to invest in those legislators that they feel more comfortable with. That would not be me," he said. "I thank all those who have worked and contributed to my campaign."

The July 26 summary covered the period beginning Feb. 2. Ward started with about $15,500 in his campaign war chest, which included $10,000 of his own money contributed in January.

FBI - Stevens-1054

Ward's total income was close to $170,000.

According to the summary, Ward listed $88,372 in expenses as of that date, leaving him with $81,298 in the bank.

Among his recent expenses was about $30,000 in radio advertising, most of it to KSRM Radio Group.

Wagoner listed his campaign income as a little more than $49,935 with expenses of $47,337, leaving about $2,741 cash on hand. Wagoner said he put in $1,000 of his own money last fall.

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Ward said he's been working in real estate over the past year, adding that, "Alaska has been good to me."

He said he had put in as much of his own money as he could and would have liked to put in more. He wants the Senate seat back, he said, because the state has to live within its means.

"We need legislators that understand they are not to touch the permanent fund and that you don't raise taxes and don't keep spending. I stand ready to stop doing that," he said.

Ward said campaigns in Alaska are expensive, especially Senate campaigns on the peninsula.

"This one won't be any different," he said, adding that he believes the citizens of the peninsula will support him.

Under state law, candidates may contribute as much as they wish to their campaigns. Candidates also may lend their campaigns any amount, but they can only recover $10,000.

Alaska state senators are paid a base salary of $24,012 annually, and are compensated for expenses.

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FBI - Stevens-1055

Lobbyist accused in bribery conspiracy -
BILL BOBRICK: He is set to plead guilty this morning in District Court.

Anchorage Daily News (AK)
May 16, 2007
Author: LISA DEMER
Anchorage Daily News
Staff

Estimated printed pages: 4

Bill Bobrick, for years the lobbyist with the longest list of private clients with city business, has been charged with a single count of conspiracy stemming from a scheme to bribe former state Rep. Tom Anderson.

Bobrick, 52, is scheduled to appear in U.S. District Court this morning to plead guilty to a felony charge of conspiracy to commit extortion, bribery and money laundering. His sentence may ride on his future cooperation in the case, court papers say.

The prosecution says in court papers that Bobrick and Anderson began conspiring in July 2004. Bobrick created a sham company to funnel payments to Anderson in exchange for his doing the bidding of a private corrections company in the state Legislature, the prosecution says.

Prosecutors quote Bobrick telling an informant that he and Anderson were "pitching a bunch of people" to get money for the legislator.

Anderson was indicted in December on seven felony counts including bribery, extortion and money laundering. He has pleaded not guilty. His trial is scheduled to begin June 25.

The case laid out against Bobrick almost mirrors the allegations against Anderson.

Even after Anderson was charged, Bobrick continued to lobby for clients on city issues. About a month or so ago, he began telling people, including his longtime friend Mayor Mark Begich, that he was going to plead. After a story about his intentions to plead appeared in the Daily News, he's been noticeably absent from Anchorage Assembly meetings.

Bobrick is cooperating with the government and has agreed to testify against Anderson, according to a motion filed by prosecutors. They want Bobrick's sentencing delayed until after Anderson's trial. He faces two years or longer, but that could be reduced.

"He's deeply remorseful about having committed a crime and he wants to start doing the right thing," said Doug Pope, Bobrick's defense attorney.

Bobrick becomes the seventh person to be charged in a corruption investigation that burst into public view last summer with the searches of state lawmakers' offices. Anderson, state Rep. Vic Kohring, former Reps. Pete Kott and Bruce Weyhrauch and Veco Corp. executives Bill Allen and Rick Smith have been hit with charges. Allen and Smith have pleaded guilty.

BOBRICK CLIENTS

Bobrick registered this year to represent five clients who have business with the city.

They are: P.O'B. Montgomery, the developer of a mall in Mountain View; Alaska Waste, the city's biggest garbage hauler; Marlow Development Corp., which is behind a number of big projects in Anchorage; Lantech, a surveying company; and Cook Inlet Housing Authority. The latter just won a 10-year property tax break from the Assembly for its Creekside Town Center housing project in Muldoon.

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At least one client has already cut ties to Bobrick. David Irwin, president of P.O'B. Montgomery, said he alerted Bobrick at the start of May that the company would no longer employ him. He said Bobrick understood.

"It was just very clear where this thing was heading that we had to just stop the arrangement," Irwin said.

Bobrick's other clients didn't return phone calls on Tuesday to talk about whether he still represents them.

The charging document and other materials that lay out the case against Bobrick don't name the private prison company, but the description of it matches Cornell Companies Inc. of Houston, Texas, a publicly traded corporation. Cornell operates six halfway houses in Alaska.

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Cornell, along with partners Veco and Allvest founder Bill Weimer, failed in recent years to win public support for private prison proposals in Anchorage, Delta Junction, Kenai and Whittier. It also failed to win state approval for a juvenile psychiatric treatment center in downtown Anchorage.

A lobbyist for the prison company -- who was working as a government informant and who has not been identified in court papers -- paid a total of $24,000 to Bobrick's Pacific Publishing, according to court documents. Bobrick turned over $10,828 to Anderson and kept the rest, the documents say. Anderson later complained he wasn't getting enough and was paid another $2,000 by the government informant, according to the indictment against him. The informant matches the description of Frank Prewitt, a former state corrections commissioner who went to work for Cornell.

'OUR BOY IN JUNEAU'

In a secretly recorded conversation on July 21, 2004, Bobrick told the informant that he and Anderson were "forming kind of like a partnership" and were "pitching a bunch of people" to try to get money for Anderson. Bobrick said it would be great if he could get the corrections company to hire Anderson through him, and then Anderson would be "our boy in Juneau."

Among other things, Anderson testified at a public hearing in Anchorage on Nov. 17, 2004, in support of Cornell's request for a state certificate to run a juvenile treatment center. He told state officials that he wasn't at the meeting on behalf of any group but could endorse Cornell because he had seen "how they function and work."

The state's tape recorder at the meeting malfunctioned, and parts of Anderson's testimony were garbled, according to a transcript provided by the state. Bobrick also was there.

Between August 2004 and March 2005, Bobrick was aware of "multiple official acts" that Anderson took to benefit the government informant, the charging document said.

Bobrick was executive director of the Alaska Democratic Party in the 1980s and later became a registered lobbyist in Anchorage.

Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390. Reporter Kyle Hopkins contributed to this story.

INSIDE

LOBBYISTS: An Assemblyman wants to ban those with felony convictions.

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DOCUMENTS: Visit the Web to read the Bobrick charging document, plea agreement, political corruption timeline and more recent political corruption stories.

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FBI - Stevens-1057

The Seattle Times
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Wednesday, December 26, 2007 - Page updated at 01:49 AM

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Foreman: Stevens remodel figure is way off



Ted Stevens, R-Alaska, is under federal investigation.



AL GRILLO / AP

FBI agents searched Stevens' renovated Alaska home in July for evidence in the federal investigation.

By Tony Hopfinger
Special to The Seattle Times

An oilfield-services company provided more than $150,000 worth of labor renovating the home of U.S. Sen. Ted Stevens, according to a project foreman who is cooperating in a federal investigation of Alaska's senior member of Congress.

Employees of VECO Corp., the oil contractor, provided months of work during the 2000 remodeling, which roughly doubled the size of the senator's home in Girdwood, Alaska, said David Anderson, who supervised the job.

Anderson, who said he testified before a federal grand jury about the remodeling, is a former employee and nephew of VECO founder Bill Allen.

Anderson's labor estimate is of interest to federal investigators as they examine the relationship between Allen and Stevens, who for years has ranked as one of the most powerful members of the U.S. Senate.

The remodeling involved VECO labor, materials, subcontractors and other expenses. For federal investigators, key questions are the total cost of the project, and whether VECO picked up part of the tab as Allen sought to gain favor with Stevens.

At the time of the work, Stevens was at the peak of his political power, chairing the Senate Appropriations Committee in a Republican-controlled Senate and directing billions of dollars of federal spending. He also has helped shape energy, fisheries, telecommunications and other federal policies of major importance to the Pacific Northwest.

Unusual search

In late July, FBI agents took the extraordinary action of removing the lock to search Stevens' Alaska home, and spent much of the day taking measurements and gathering other evidence. The raid thrust the Justice Department investigation into the public spotlight and has ramped up pressure on Stevens.

Stevens, 84, told reporters last summer that he and his wife paid all the remodeling bills that were passed onto them. In a letter to a supporter, he put that amount at "more than $130,000."

"While I ... would like to discuss these issues in great detail, the interests of justice and our state are best served if I make my comments after federal officials complete their work," Stevens said in a statement released to The Seattle Times.

Anderson, 48, said the total remodeling cost, including materials and subcontractors, was way above $130,000.

"We did all kinds of stuff, so it's ludicrous to think that it's only $130,000," Anderson said in a November interview. "Labor alone was more than that."

Anderson said he cannot provide a full account of all the costs because he never received a project budget from Allen and did not review all the expenses. Also, he said Stevens never asked for an estimate.

Stevens and his wife, Cathy, were in Washington, D.C., during much of the renovation, but they did visit the home several times during the work, with Cathy taking an interest in choosing the final interior touches, Anderson said. Otherwise, he said, the couple seemed "nonchalant" about the remodeling.

A bitter feud

Anderson said he has been told by FBI agents that he could be called to testify should Stevens be indicted and charged with a crime. Anderson said he worked for VECO for 25 years and helped in other political tasks, including the welding of a pork rotisserie used at annual campaign fundraisers hosted by Allen for U.S. Rep. Don Young, Alaska's lone House member.

Anderson does have detractors.

They include his uncle, Allen, the VECO founder who in May pleaded guilty to bribing state legislators and is cooperating with federal investigators. In 2004, Allen fired Anderson, and the men have since been locked in a bitter feud, according to Anderson. Anderson agreed to his first interview with a reporter because he is upset with Allen's public statements, which include allegations of blackmailing against Anderson.

A VECO subcontractor on the Stevens remodeling, who has testified before the federal grand jury, also takes issue with Anderson. That subcontractor, Augie Paone, was an important part of the renovation as he framed the first-floor addition and finished the interior.

In a November interview, Paone said Stevens wrote him checks totaling about $100,000 for the work. Paone believes the remodeling could have cost — if all the work was done more efficiently — around $130,000 to $150,000. That is close to the figure Stevens cited earlier this year.

Paone contends that, while he was working in Girdwood, VECO did not contribute much to the job, and Anderson's presence was mostly to keep Allen informed of progress.

"His impact was minimal because no matter what, he had to go through Bill [Allen] for everything, and if he wasn't there, I would have gone through Bill to get things done," Paone said. "He didn't really speed up the job."

Anderson said Paone is wrong: "I busted my ass on Ted's house." He said VECO's labor costs were high because its workers were paid by the biggest oil contractor in the state.

Paone was hired halfway into the project, Anderson said, because VECO's expertise was mainly in the oil industry and commercial projects — not residential construction.

During the renovation, Anderson said, he helped move a water line, build two decks and custom-weld a metal staircase, as well as carry out other tasks ranging from stringing Christmas lights to delivering a new queen-size bed to the senator's house.

Project's beginning

Allen, 70, founded Anchorage-based VECO in 1968 and built it into a worldwide oil contractor with nearly $1 billion in annual revenue. He became a campaign contributor and friend of Stevens'. The two men even shared ownership in a racehorse.

In spring 2000, Anderson said he was sent to clear brush at the small house in Girdwood. Shortly thereafter, Allen summoned Anderson to a penthouse suite at Alyeska Resort to brainstorm how to expand the house.

"Once Bill had his mind set on the job, it was almost as though you couldn't stop him," Anderson said.

For Allen, this past year has been an abrupt descent. He resigned from VECO, which was then sold to a Colorado company. He faces prison time as a result of his May plea agreement and he has served as a government witness in federal bribery trials of two former state legislators.

This fall, during cross-examination in one of those trials, Allen testified that VECO provided materials and several employees to work on Stevens' house. When asked in another trial a few weeks later by a defense attorney if the remodeling was a "gift" to the senator, Allen answered, "No."

Others who knew Allen personally said it is possible Allen failed to forward Stevens every bill. Former state Sen. Rick Halford said that when he was serving in the Alaska Legislature in the late 1990s, Allen had Anderson work on his floatplane dock and other VECO workers spray-insulate his airplane hangar.

Halford said Allen, his friend at the time, never sent him a bill, so he wrote VECO a check for what he believed was a full reimbursement.

"I was making sure I covered myself because when Bill helped you out, you sometimes had a hard time trying to find out what to pay for," said Halford, who has not been contacted by the FBI.

Allen's attorney did not return calls seeking comment for this story.

Anderson, who now lives in a cabin by a remote Alaska lake, said he has not been charged with any crime. He said his career with VECO abruptly ended when he began dating his uncle's former girlfriend.

Anderson said Allen was furious and threatened to harm him.

While testifying in the bribery trial of a former Alaska legislator, Allen accused Anderson of blackmailing him over the Stevens remodeling. Anderson denies the blackmail allegation and said the dispute was over the girlfriend.

Relations were so bad between the two that Allen's lawyer at the time drafted a 10-page settlement in which Anderson and Allen agreed to never contact each other again. In return for signing the contract, Anderson said, he received $30,000 from the firm of Allen's lawyer.

Tony Hopfinger is a freelance writer in Alaska and can be reached at thopfinger@gci.net. Seattle Times reporter Hal Bernton contributed to this report. He can be reached at hbernton@seattletimes.com

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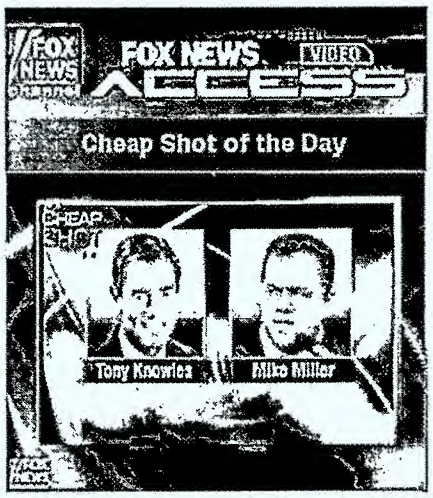




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FLASHLIGHT

Mike Miller's makeover



North Pole Republican Mike Miller already faces two Alaskan household names in his race against U.S. Senator Lisa Murkowski and former Governor Tony Knowles for Murkowski's Senate seat. So it probably didn't help Miller's cause when media juggernaut Fox News aired the wrong photo with his name during a brief segment called "Cheap Shot of the Day."

The clip, which aired Tuesday, June 15, appeared during the popular "Hannity & Colmes" show, which for the uninitiated, pairs aggressive Limbaugh-like conservative Sean Hannity with mousy liberal Alan Colmes for roundtable shouting matches and interrupt-a-thons. The "Cheap Shot" segment appears to be a regular spot that targets allegedly unfair campaign ads. In this case, Colmes blasted Lisa Murkowski for an ad that contrasts Murkowski with Knowles and Miller.

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In the clip, Fox aired a tan and grinning Tony Knowles flanked by a young man of indeterminate race and political affiliation. This guy is definitely not the white, middle-aged Mike Miller we know and love.

Lisa Murkowski's camp didn't know Colmes' attack was coming, but the network's error made it easy to shrug off. "They should have some concern about their research department," said Murkowski spokeswoman Kristin Pugh.

- Kyle Hopkins

So long bully!

Perhaps it's inevitable. Perhaps children are bound to be cruel to other children. Perhaps it can't be stopped, the elbow in the side while walking down the hallway, the name-calling, the jeering, the wedgies, the big, lumbering boy waiting around the corner. Perhaps that's just human nature. Doesn't everybody have a good bullying tale? Isn't bullying a staple in nearly all coming of age stories, from Cinderella to Great Expectations to Harriet the Spy?

But sometimes things go too far, with terrible consequences. We don't need to go as far as Colorado to find such stories. In lawyer Dennis Maloney's office in Midtown earlier this year, a group of parents talked about their children being bullied. They spoke of disinterested teachers, administrators, other children's parents. They told how their children come home from school in tears day after day, threatening never to go back. They talked about the shame and humiliation.

These parents gathered at Maloney's request. He was looking for volunteers for his conference, "Bye Bye Bullies: Violence Prevention Under the Midnight Sun," which runs Sunday, June 20, through Tuesday, June 22. Nine nationally known experts on school violence will give speeches at the Discovery Theater and workshops at the Egan Center. One presenter is Dr. John Hoover, chair of the Special Education Department at Minnesota's St. Cloud State University, and author of three books on bullying. In an interview before the conference, he said, "There has never been such a group of nationally known people in violence and bullying ever assembled in one place."

As of four days before the conference, about 100 people had signed up to attend. Forty-four were teachers from the Mat-Su School District. Only one teacher from the Anchorage School District had registered. Anchorage School Superintendent Carol Comeau said she's encouraged teachers to attend, but the district isn't sponsoring the conference.

"As you can imagine, this is an awkward situation for us," Comeau said.

The awkward situation she's talking about stems from

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FBI - Stevens-1061

the person who spawned the conference. The person is simply known as "Tom." He suffers from permanent brain damage and is confined to a wheelchair. Tom, a once gifted student at Central Middle School, used to be interested in science and math, wondering how buildings were built and how stars were formed. Now, Tom has a blank stare and is fed through a feeding tube.

In 1998, when Tom was in eighth grade, he tried to hang himself. His parents say he attempted suicide because he was the target of relentless bullying. In 2000, Tom's parents filed suit against the school district, claiming school administrators didn't do enough to end the bulling. The parents and district reached an undisclosed settlement.

In the lawsuit, Tom's parents alleged that Central Middle School's administrators, including the principal and vice principal, were at least somewhat aware of their son's problems but did nothing to stop them. In fact, Tom got punished when he called attention to the bullying. School policy dictates that anybody involved in an altercation, regardless of who's at fault, faces a punishment, according to testimony by the principal in charge of Central Middle School at the time Tom says he was bullied. That policy is still in effect; although school officials say they've become more vigilant at implementing anti-bullying programs.

Maloney represented Tom's parents in the suit against the district. Maloney is using some of the proceeds from the undisclosed settlement to organize the bullying conference. "It's the one truly altruistic thing I've done in my career," he said.

Maloney, too, has a son who was bullied in school. The lawyer knows how horrifying it can be as a parent. He got tears in his eyes when he spoke about Tom and other children who are being "permanently scarred" at school every day.

Jeff Deitz is among the parents that have met with Maloney to share their children's problems with bullies. In a telephone interview, Deitz said his son was getting picked on in Ocean View Elementary School so badly that he talked about committing suicide. Last semester, Deitz said he transferred his son to Faith Lutheran School, where he is doing much better. The experience at Ocean View changed his son. "He's not as sweet as he used to be," Deitz said. At least he now has new friends, Deitz said, and most importantly, he's alive.

FBI - Stevens-1062

- Amanda Coyne

Alaska Aces battle Gin Kings

Flashlight usually finds reporting on namesakes nothing more than tedious. They require things like checking and double-checking facts. Like, was it Jim Jr. or Jim Sr. who got caught with his pants down in front of the

playground? Flashlight never thought a namesake could lead somewhere interesting - that is, until we heard about the other Alaska Aces who play in the Philippine Basketball Association.

The Alaska Aces are owned by Alaska Milk, a company based outside of Manila in Makati City, Phillipines. The company proudly claims on its website to be the Philippines' second largest importer of milk products. The PBA is made up of corporate-owned teams, so the Ace's rivals include the Coca-Cola Tigers and the San Miguel Beermen. During Gran Matador PBA Fiesta Conference play - which is in post-season play this month - the University of British Columbia and a U.S. Pro-Am team also play PBA schedules.

The Aces play two consecutive conferences (read seasons) each year, general manager Joaquin Trillo told Flashlight over the phone from Makati City. One conference is "all-Philippino," the second is "reinforced" with one "import" player per team. The Aces' current import is Galen Young, a 6'5" American (a giant by Philippine standards) who was once drafted by the Milwaukee Bucks, but never played for the NBA team. Young averages 25.2 points per game in the PBA - but don't assume the ball is always going to him. Young also leads the Aces in assists, with 7.2 per game.

The Aces racked up ten championships in the 1990s, but lately they've been "rebuilding," Trillo said. "We did win one conference championship last year, but sometimes our inexperience comes into play," Trillo said.

The Aces won an automatic berth into the quarterfinals of the current tournament, but fell to the Tigers and the Barangay Ginebra "Gin Kings." The Aces post-season is almost certain to end this week, as the round-robin style tournament continues. "We were in the top two teams going into the playoffs ..." " Trillo said. "We still have a chance, but not much of one."

Incidentally, as a product name, "Alaska Milk" goes back to 1972, and the people responsible were neither Alaskan, nor Philippine. The official word is that no one knows why they chose the name. "That's a one million dollar question that's been asked over and over again," said Rick Ramos, a company spokesman. "Alaska was a brand that was previously imported to the Philippines from Holland." The earliest Alaska products were canned and dry milk products. "Now we have fresh milk too, but that's actually imported from New Zealand," Ramos said.

FBI - Stevens-1063

Go figure. Go Aces!

- Scott Christiansen

Uncle Ted's horse with no name

Ted Stevens is

climbing the ladder of the country's richest senators, and though he lost ground on some investments in 2003, a new report shows he finished the year tens of thousands of dollars ahead. Stevens has done best at investing in real estate, but he's also dabbled in other ventures. Stevens says he has a stake in a racehorse and oil interests in Oklahoma, according to a statement of his investments, which he is required to file as a senator. He also owns about 10 heifers and a bull with his mother-in-law in Arizona. That and a fishing group awarded the senator a sled dog last year.

Stevens' finances have drawn close attention in the past two years because of his ties to Jonathan Rubini and Leonard Hyde, two of Alaska's biggest developers. Last year, the Press, the Anchorage Daily News and the Los Angeles Times ran articles exploring the link between Stevens and partners Rubini and Hyde. The reports stemmed from a $50,000 investment Stevens made in 1997 with one of Rubini's companies, JLS Properties. Stevens estimated that by 2002 his investment had rocketed to between $750,000 and $1.5 million. In the years after Stevens made his initial investment, Rubini's main company, JL Properties, scored hundreds of millions of dollars in federal contracts, including a National Park Service building in downtown Anchorage and a contract to privatize housing on Elmendorf Air Force Base. Rubini and Stevens both say the senator didn't use his political power to influence those contracts.

On Monday, June 14, new financial disclosure reports became available, offering a look into Stevens' holdings in 2003. Not much has changed. Stevens reports that he still owns a stake in at least four businesses that list Rubini and Hyde as stockholders. Among the properties are a 10-story office building in Midtown that houses the headquarters of Arctic Slope Regional Corporation, an Alaska Native corporation, and a garage and parking lot on Bering Street, where the municipality maintains city vehicles. Stevens reports that his stake in those businesses lost about $43,500 last year, but he still values his investments with Rubini and Hyde at $700,000 to $1.5 million.

Stevens reported that his biggest income last year came from a deal unrelated to Rubini and Hyde. Stevens netted $129,000 from the sale of a condominium in Bay Harbor, Florida. He made another $65,000 off a stake in a subdivision development in Grantsville, Utah.

FBI - Stevens-1064

Stevens ranks 34th on the list of the richest senators, with a net worth of about $1.4 million, according to estimates based on the senator's financial disclosures and a CNN report this month. Presidential candidate John Kerry is the richest senator, with an estimated $163.6 million. Because senators must disclose any big-ticket gifts they get, Stevens reported that the Kenai River Sportfishing Association gave him a sled dog as part of a public service award. Stevens then bought the dog's brother for $250.

One of the most random investments in Stevens' portfolio is 10 percent ownership of a racehorse through a company called Alaska's Great Eagle. The spokeswoman at the senator's office declined to give the horse's name or racetrack record - Stevens gets a shred of privacy, she said. Records filed with the state show Stevens isn't the only big-time Alaskan with a stake in the horse. Bill Allen and Carl Marrs are listed as partners in Alaska's Great Eagle.

- Kyle Hopkins

Concert Ticket: $25.00

Silly String: $2.79

Sobering up in the Anchorage Jail...

There's nothing in the police report about how a can of Silly String got into the Adema concert at the Egan Center on Friday, June 11. Flashlight can only surmise that concert security doesn't always catch every little stringy thing that comes through the door. We can also imagine that the Silly String Bandits brought their contraband intending on having some good clean fun. But somewhere along the way, things took a violent turn and the pair, (he is 21, she's 19), wound up in jail. They were accused of damaging property and punching people in the head, according to Anchorage Police Department spokeswoman Anita Shell. The formal charge is disorderly conduct. The security guards seemed to have given the Silly String Bandits at least one opportunity to stop, according to APD. "They had been previously warned of their conduct by security. That's when they came back in and started punching people in the head," Shell said. A chain-link fence was damaged to the tune of $600, bent under the weight of the Silly String Bandits. APD was told that the cost of cleaning Silly String off of some high-up Egan Center windows is estimated to be $100 to $200. Both bandits had bail set at $1000 and were eligible for release only after they sobered up.

- Scott Christiansen

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FBI - Stevens-1065

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

July 8, 2005 Friday, FINAL EDITION

ANWR oil should be shared, three say; EXEMPTION: Arctic Slope has a deal that excludes other Native corporations.

BYLINE: By PAULA DOBBYN, Anchorage Daily News

SECTION: MONEY; Pg. F1

LENGTH: 952 words

Three prominent shareholders of Cook Inlet Region Inc. want every Alaska Native -- not just those on the North Slope -- to share the financial rewards of oil produced from the Arctic National Wildlife Refuge.

Robert Rude and Gosta Dagg, directors of the Anchorage-based regional Native corporation, and former state senator and CIRI shareholder Jerry Ward, say ANWR should stay closed to development unless Arctic Slope Regional Corp. is required to share revenue from land it owns inside the refuge.

"We have an obligation to protect our shareholder rights," Rude said this week.

Rude, Dagg and Ward are trying to get Congress to overturn a key provision of a 1983 land trade that gave Arctic Slope 92,160 acres of oil rights within the Arctic refuge and exempted the corporation from sharing with other Natives a portion of the revenue it could earn from oil and gas development. Under the federal law that created them, regional corporations typically share with other Native corporations 70 percent of profits from oil and gas production, mining, logging, and other resource development. It's commonly referred to as the "Share the Wealth" or "Robin Hood" clause.

The three CIRI shareholders want Congress to include in any legislation that lets oil companies onto the refuge's coastal plain language to also end Arctic Slope's revenue-sharing exemption.

With ANWR estimated to contain 10.4 billion barrels of oil, which is now selling for nearly $60 a barrel, Arctic Slope stands to earn a bundle, Rude said.

"It's a staggering amount of money," he said.

Arctic Slope's position is that the oil comes from Inupiat land and its benefits should stay within the corporation and its shareholders. Arctic Slope's exemption from the revenue-sharing requirement was spelled out clearly in the land exchange, said Richard Glenn, vice president of lands for Arctic Slope.

"This issue was decided long ago," he said.

FBI - Stevens-1066

Glenn said Arctic Slope traded surface land for subsurface oil rights and that's what makes it exempt from revenue-sharing. Arctic Slope's position was upheld by the American Arbitration Association in 1989 after two other regional corporations, Aleut Corp. and Bristol Bay Native Corp., challenged the lack of wealth sharing.

That may be, Dagg said. But it's something that has burned him and others for more than 20 years, he said. It's time to revisit the 1983 deal, Dagg said, especially since the possibility of opening ANWR to development has gained momentum in Congress this year. He is talking to as many Natives as he can, including at CIRI shareholder meetings, to raise awareness, he said.

Many people running Native corporations these days weren't in charge in 1983, Dagg said. A lot of Native executives don't even know that Arctic Slope owns land inside the refuge, much less that the Barrow-based company doesn't have to share the fruits of ANWR.

Arctic Slope was exempted from the revenue-sharing requirement under a land trade with the Department of Interior that government

194A-AN-13620-M;490

auditors concluded in 1989 was a raw deal for most Alaska Natives and American taxpayers in general. Under the land exchange, Arctic Slope traded 101,272 surface acres near Chandler Lake in Gates of the Arctic National Park, valued at $5.9 million, for oil rights under 92,160 acres of ANWR. The value of this subsurface tract was estimated at $395.5 million, according to a government report.

Congress never got to vote on the land transfer. At the time, congressional approval was not required for land trades the interior secretary made with Native corporations. That changed a short time later.

The Government Accountability Office -- then called the Government Accounting Office -- in its 1989 report found that the Interior Department undervalued the refuge land.

The GAO also concluded that the land exchange hurt most Natives because it excluded the revenue-sharing provisions. The public did not have a chance to review and comment on the land exchange before it was done.

Federal and state officials and Alaska Natives told the GAO at the time that had they had the opportunity to comment on the land exchange, they would have objected to many of its provisions, the agency said.

Arctic Slope rejected the GAO's conclusions. As far as sharing the wealth is concerned, Arctic Slope said it acted in good faith and complied with a profit-sharing settlement agreed to by the regional corporations. That agreement exempts profit sharing when surface land is traded for subsurface. The GAO report says Arctic Slope's lawyers were frank about structuring the exchange so it was not subject to profit sharing and was designed to protect the interests of the company and its shareholders.

The CIRI directors and Ward, who was narrowly denied a board seat in a corporate election last month, say it's not too late to right what they see as a historic wrong.

"We want this fixed," Ward said.

Unless things change, more Alaska Natives are going to build alliances with environmental groups opposed to ANWR drilling, Ward said.

In May, Rude sought help from Sen. John McCain, R-Ariz., chairman of the Senate Committee on Indian Affairs, and Rep. George Miller, D-Calif., a member of the House Resources Committee. Miller objected to the land exchange two decades ago and requested the GAO audit.

Rude said McCain responded with a letter saying he would consider the matter. Miller has yet to respond, Rude said.

The three CIRI shareholders said they are acting as Alaska Natives and not on behalf of CIRI.

None of Alaska's three congressional members could be reached for comment.

Daily News reporter Paula Dobbyn can be reached at pdobbyn@adn.com or 257-4317.

LOAD-DATE: July 9, 2005

LANGUAGE: ENGLISH

GRAPHIC: Rude; ; Ward

FBI - Stevens-1067

TYPE: Staff

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Rep. Don Young (R-AK)
(House Website)

Experts Question Legality, Ethics Of Young's Earmark

By Laura McGann - August 10, 2007, 5:06 PM

There are earmarks, and then there are *earmarks*.

Rep. Don Young (R-AK) has taken the political art form to an ethically questionable level that even some experts in the trenches have never seen. In 2005, Young waited until after the House and Senate passed a transportation bill, but before the president signed it into law, to rewrite a passage that would have granted $10 million for an interstate in Florida. His new wording targeted the money to a much smaller, more specific project to connect Coconut Road to that interstate. It's an unpopular project in the area, but a boon for real estate developer Daniel Aronoff, who held a $40,000 fundraiser for Young in Florida just before the earmark appeared.

Young has refused multiple requests for comment from different publications on these, and related allegations. Once he made an obscene gesture at a *New York Times* reporter who approached him about the earmark. His spokeswoman did not get back to us today.

I asked a few experts today for historical and ethical perspective on Young's move.

Former staff director of the House Appropriations Committee, Scott Lilly, said this is a very atypical procedure. Once the bill has been voted on by the House and Senate, only some very technical changes can be made by the clerk. Then it goes to the President.

"The committee chair really doesn't have any control over the bill at that point," Lilly said. "There are some really arcane things that you can do, but you would have to pass a resolution directing the enrolling clerk to make the change, but that would have to pass both Houses. There is very little the enrollment clerk can do. I don't know that they can change spelling mistakes."

The changes made by Young are far more substantive than spelling errors.

"To say it's unusual isn't enough," said Keith Ashdown of Taxpayers for Common Sense. "It is an anomaly that we have never seen before."

FBI - Stevens-1068

MYA-AN-13620-M;491

Normally, members of Congress who want to clarify how an earmark is to be spent, outline the details in an accompanying report. These reports are only advisory, but are often followed to avoid falling out of favor for the next time an appropriation rolls around. Ashdown pointed out that the 2005 legislation was Young's last chance to oversee a transportation bill, which only come up every six years, as a committee chair. Advice from a sitting duck committee chair wouldn't carry the same heft as language in the law.

"[Young] knew that because this was a controversial project in the area, the only way to make sure his benefactor got the money was if he wrote it in the statute," Ashdown said.

So what can be done now that the change carries the force of law?

The executive director of Citizens for Responsibility and Ethics in Washington said she thinks there's virtually no chance of the famously inactive House ethics committee pursuing the issue.

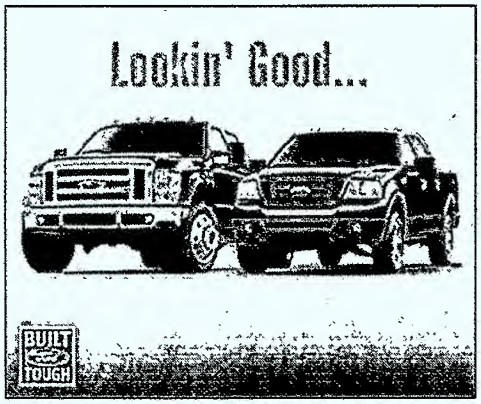
"I think that this is a highly unlikely thing for the ethics committee do anything about," Melanie Sloan said.

Still, theoretically, another member of Congress *could* file a complaint against Young. Craig Holman, the campaign finance lobbyist for Public Citizen, said this issue could be taken up by the courts, by either a private citizen or another member of Congress.

"If anyone can just change the language of a bill carrying it to the President, then why even have a Congress?" Holman said.

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So, how is this any different than the language that got inserted about recess

appointments late last year by Arlen Specter's staffer? Obviously, something is getting changed that shouldn't be -- and the Repubs are circumventing the rules.

Posted by: Sojourner
Date: August 10, 2007 5:18 PM

Sojourner, I think that Arlen's staffer inserted that language before it was voted on. This is after both houses passed it - they really aren't supposed to change it at that point!

Posted by: P J Evans
Date: August 10, 2007 6:03 PM

OK -- I remember now that the staffer inserted it into the conference bill. Thanks...

Posted by: Sojourner
Date: August 10, 2007 6:09 PM

I'm pretty sure thr change about recess appointments was made *before* the final bill was passed. Sneaky, but it was in the text being voted on and there to see if anyone had the time/ took the trouble to look for it before voting on the final bill.

The issue here is that the final text of the bill that was passed by Congress was *not* the same text that was sent to and signed by the President. I don't see how that could possibly pass Constitutional muster.

I was surprised to hear that even spelling mistakes could be corrected at that point; sounds like Scott Lilly who surely would know didn't think that was possible either.

Posted by: NitPicker1
Date: August 10, 2007 6:11 PM

Bill Moyers' Journal had a piece on earmarks incl Young's coconut rd earmark.
http://www.youtube.com/watch?v=x7VUvdhgXsY

Posted by:
Date: August 10, 2007 7:48 PM

FBI - Stevens-1070

Bill Moyers' Journal had a good piece on earmarks incl Young's coconut rd earmark.
http://www.youtube.com/watch?v=x7VUvdhgXsY

Posted by: Bill W
Date: August 10, 2007 7:49 PM

Getting pissed here in Alaska. Dirty Don doggone Young. What a pig.

Posted by: aklocal
Date: August 10, 2007 9:50 PM

If Bush signs the bill, with the obstensibly unconstitutional change inserted, what version of the bill (that from the House and Senate or that which appears on his desk) applies? Or is law?
Since Bush has made alot of mis"prioritization" of transportation bills, this would be a fine time for him, if he's made aware of the change, to send it back for correction.....if he really believes in legislation at all.

Posted by: deRougemont
Date: August 10, 2007 10:36 PM

I don't understand how this can generate so much doubt--the piece of paper that the president signed was never passed by congress. It's that simple. Whether or not the REST of the act, the part actually voted upon is still in force might be a subject for discussion, but unless congress passed legislation with boilerplate language saying that "in addition to the sorts of corrections we allow the clerk to make before sending the bill to the white house we also want crooked congressmen and women to be able to add corrupt pork for the benefit of their fat-cat pals", I don't see how this should take more than 2 seconds to figure out. Yeah, I know, knucklehead signed it--big deal. The constitution also says that all legislation originates with the Congress. If this didn't originate with congress, it's no law.

How would this be any different than a congressman getting every copy of a bill printed by the Gov. Printing Office and pasting in a corrigenda saying--"oh, and give my pal carwinrpc a gazillion dollars?"

Posted by: carwinrpc
Date: August 11, 2007 8:34 AM

There have been several similar cases. Eugene Volokh wrote on this topic with respect to a lawsuit alleging that a controversial change was made to the medicare bill in 2004, and Hastert signed the document saying that it had passed the house of representatives knowing that the document he signed did not match what was voted on by the house.

The general rule is from Field v. Clark, 143 US 649 (1892). "The version of the bill signed by the leaders of both houses and presented to the president is the authoritative text of the act, and the courts have no authority to look to committee reports or other parol evidence to impeach it."

FBI - Stevens-1071

The quoted sentence is discussing rules of evidence, so it is not clear (to me) what a court would do if the fact is indisputable.

Morris Pearl

Posted by:
Date: August 11, 2007 10:40 AM

This is different from the president signing something that has not been passed, because this bill was presented to him signed by the presiding officers of both houses as being passed by their houses (which is the standard procedure for bills being passed). The speaker of the house and the presiding officer of the senate each sign the bill. Eugene volokh wrote a piece some time ago concerning a similar case in 2004, where the house and senate passed different versions of the medicare bill. Apparently someone on the house side changed "13 months" to "36 months" in a controversial section (or maybe vice versa, I don't remember) and Hastert signed the bill knowing that it was different from the bill as passed by the house of representatives. Someone sued. There have apparently been several cases like this before, and the controlling supreme court opinion seems to be from Field v. Clark, 143 US 649 (1892), which says that "...the version of the bill signed by the leaders of both houses and presented to the president is the authoritative text of the act, and the courts have no authority to look to committee reports or other parol evidence to impeach it." Although that sentence is talking about a rule of evidence. It is not clear what would be the ruling if there were no facts in dispute.

Morris Pearl
(Sorry if this is posted twice, I am still figuring out the comment system.)

Posted by: Morris Pearl
Date: August 11, 2007 10:50 AM

Don young makes me sick. Sooo many up here love the pork he produces and are willing to put up with the proclivities he seems to produce. To me though, he is the epitome of whats wrong with this country. Pols working for corps with lots of cash and slinging largess in all the rich directions. 12 billion a month for a war of agression, young has no problem with it. 10 million for a fords unwanted freeway interchange, no problemo. Toilets for esikimos? Fer, by god they can work for it. lazy natives. Yeahhhh don young the great. Ugly fucker.

Posted by: sickinalaska
Date: August 11, 2007 11:26 AM

1. Aha! At last an opportunity for a signing letter, refusing to implement that earmark, that will show just how "justified" and "necessary" signing letters really are.

2. Who comes up with these things? Who came up with this particular one? Are there lobbyists who actually compete to figure out ways around the constitution on behalf of of these relatively minor projects? (I say relatively because it would seem like a tool like that is wasted unless it can be used to screw some huge special interest's bogeyman?

FBI - Stevens-1072

Secrecy code "parcel," which makes this what kind of post?

Posted by: BG124C41
Date: August 11, 2007 2:12 PM

"Advice from a sitting duck committee chair wouldn't carry the same heft as language in the law."

S' uldn't that be LAME duck?

P ted by: Northwest Gypsy
D te: August 12, 2007 12:43 AM

Surreptitious wording is the new way to put the pork in their pockets, considering how they used it in the DOJ recess appointments.

Surely there needs to be a law, or a freshening of the existing law, that de-certifies any such subterfuge.

And severe penalties, at the felony level, for those who so casually re-direct our tax money towards their personal circle of benefisiaries.

Posted by: JEP
Date: August 12, 2007 10:00 AM

"So what can be done now that the change carries the force of law?"

D s it? Shouldn't this type of theft already be covered somewhere in the myriad laws we have on the books?

S iously, is there no law that prohibits profitable rewording on the part of special-interest, surely there's something 'midst the myriad regs that already covers this?

Posted by: JEP
D te: August 12, 2007 10:15 AM

I think there are still many unanswered questions involving this "post-passage/pre-signing" earmark.
1. Did the money get spent on the road? If so, issues of legality and constitutionality SHOULD kick in.
2. Also, a KEY issue -- how long has this practice been going on? As Morris Israel suggest above, this Florida earmark may be just the first time people NOTICED. So much more needs to be followed up here to determine what exactly has been going on both in Florida and more generally. When combined with the partisan circus that was house-senate conference reports under Republicans with Bush's signing statements, one should legitimately wonder what projects actually get set in motion with recent appropriation bills. I'm wondering if someone (perhaps in the blogisphere) needs to go back and look.

FBI - Stevens-1073

J D

P ted by: Jared D
D te: August 12, 2007 12:54 PM

I read somewhere that the Florida Highway Commission is going to attempt to use the appropriation in its originally-designated manner, applied to the larger portion of highway, and not just the Coconut Rd. interchange.



'Discretion and tact are essential'

Posted: July 12, 2007 - 4:38 pm

Want to make $4,000 a month investigating politicians' shenanigans?

Apply here to be APOC's new (and only) investigator.

add new comment

$ 4K thank-you note to the FBI ...

A better use of the $4000 per month would be for the State to put it in an envelope each month and send it to the FBI with a note saying: "Thanks and keep up the good work!"

I'm no big fan of the feds running Alaska. But I've got to hand it to them. They are doing ethics clean-up work that the State can't and likely never will be able to do themselves.

now tkelley | July 13, 2007 - 9:46am

reply »

question

how independent is APOC and APOC-staff from the Governor's Office?

new Stags_Leap | July 13, 2007 - 8:36am

reply »

How independent from Ruedrich?

That's the real question.

Tact, and discretion? Is that a code for Political Correctness? You know, the brand that Ben Stevens' supporters on APOC's board used to plea for leniency and compassion for the punk.

Were they showing mere tact and discretion by not properly investigating Metcalfe's strong and repeated allegations against Ben's use of bribery and political influence peddling?

Maybe you forgot to add the "good attitude" requirement, too - the brand that makes you feel wonderful even when you turn your head away from facts and land the whole state in the wrong mafia neighborhood, because at least you feel happy when you hand over the extortion checks each month. Oh to be in the wrong place, feeling so good...

So yes, send the $4g's monthly to the FBI until 2015 or whenever they finish cleaning up APOC's

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.



Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

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Roll Call on Young - 7/18/2007 10:59 am

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Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

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Wes Keller to replace Kohring - 7/17/2007 12:54 pm

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Why Pay 6% ? Direct Access to Alaska MLS.
www.congressrealty.com

FBI - Stevens-1074

94-AN-13620-MJ-492

PC mess. They are simply required to do professional law ENFORCEMENT - not get all soft and touchy about hurting the crooks' feelings.

As Metcalfe proposes, get the law enforcement aspect handled outside APOC - but first, put all the election, disclosure and campaign finance laws under one new Chapter. When the People petition for improvements, they aren't required to check a column on the intiative for "I've been PC, or tactful, or discrete" in order to protect their rights from bad politicians and PC agencies' failures. But they might want a checkbox for "all this corruption has given me a bad attitude, and 'I'm not going to take it any more'."

new staufen | July 14, 2007 - 8:11am

reply »

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APOC is not a law enforcement

agency in the sense that, say, the Troopers are. It has no real investigative staff and is charged only with enforcing and reporting CAMPAIGN finance law.

If the facts AS ASSERTED in a complaint would constitute a violation, it gets referred to the board for a determination. They don't really look into whether the assertions are true or rebuttable unless and until a formal hearing is convened.

The real issue here is the NOBODY really is charged with overseeing compliance with the law by either executive or legislative branch officers and employees. Everything depends on someone making a credible complaint or somebody inside the government with enough horsepower deciding to do something; a place where angels fear to tread.

Alaska really, really needs an independent Inspector General sort of office charged solely with overseeing compliance with State law. And even with statutory independence, it will be subject to the same political forces as I describe in the reply to Stag's question. You can have all the authority in the world on paper, but if your office doesn't have windows, your seat flushes, and you have no staff or budget, that authority doesn't mean much.

new Black3 | July 14, 2007 - 8:33am

reply »

Yeah, an independent IG

That can enforce MERIT SYSTEMs

Wasn't that your job and part of enforcing PERA?

But then a state system like the link would be lame as APOC and subject to pardon,s too.

Good thing it's the Feds involved.

Unless the president pardons you CBC's, it's prison. I don't think the Governor could help if she wanted.

FBI - Stevens-1075

new edgefinder | July 14, 2007 - 9:13pm

reply »

Love it!

Don't forget to put the lid down.

new palmerbuyer | July 14, 2007 - 12:16pm

reply »

Technically, it is an exempt agency

that administratively resides in the Department of Administration. The

employees technically work for a Board that is appointed by the Governor and confirmed by the Legislature. Terms are staggered, so a Governor would have to be in his/her second or third year to have a board exclusively of his/her appointees. The employees are all either exempt or partially exempt and are non-union, so they don't have either merit system or contractual protections. That said, no public employee, including exempts and PXs, really "serves at the pleasure," so they have some protection from wrongful discharge but would have to go through the Courts using their own resources.

OK, that was the textbook answer. In reality, no State employee with ministerial authority or in a ministerial agency is truly independent from political authority. It is the rare Governor (or staffer) or Commissioner/Director who will come right out and tell someone with ministerial authority "do this" or "don't do that," though I've seen some brazen enough to do it. While they won't usually do it overtly, they can certainly let you know what they want to happen and make your life exceedingly uncomfortable if it doesn't happen. Your travel gets special scrutiny, your spending gets special scrutiny, you lose positions, your budget gets cut or you don't get a necessary increment, you get hauled over to spend quality time with a legislative committee or have some "personal moments" with a legislator - the Com's Office, OMB, and legislators all play that game for people who "don't play well with others."

Even without all that, the actions, management, and even the staff of any ministerial agency are on the auction block in every gubernatorial election. Even for merit system employees, doing one administration's bidding can cause the next administration to put a laser dot on your forehead; I've seen whole State functions literally sold for campaign support, investigations stopped, meritorious lawsuits dropped - I could go on for a while.

And just because it's you, Stag; it isn't a Republican thing. They do it, but not very well. The Democrats are masters at it, and since they're "good people" the Press never looks twice when they axe classified employees and eliminate whole functions because some interest or contributor wants it. And if you want to get argumentative about that, I can get REAL specific.

new Black3 | July 13, 2007 - 9.29am

reply »

Please Do

Your insight is is enlightening.

new twentythreeskidoo | July 13, 2007 - 9:50am

reply »

Yeah, Blackir

Yeah, give us the dirt on how the State Management can punish and reward arbitrarily for reasons instead of merit.

More on the Murkowski Partonization scheme,too. Tell us how you were HELPFUL setting it up with the hiring freeze and HR consolidations..

new edgefinder | July 14, 2007 - 12:46am

reply »

Incredible...

FBI - Stevens-1076

Just another way to waste money. Another bureaucrap position earning money for doing nothing. We know how hard these State workers work at "not" doing work.

new alaskapat528 | July 13, 2007 - 5:58am

reply »

Unless you've actually worked at

a meaningful level in State government, you have no idea how State employees work. I won't deny that there are pets and sinecures, but you'll find most of them in the Exempt Service because some elected or appointed official put them there; talk to your legislator or the Governor about that - I know who and where they are and they aren't hard to find.

In the classified service, the vast majority of State employees, most give the State an honest day's work for a day's pay, and the pay is nothing to write home about. The Alaska economy generally, and State employment specifically, missed the '90s, and State pay is less than most of the munis and isn't remotely competitive with any states other than in The South nor is it competitive with the federal government. Upper level classified managers, supervisors, and professionals have left the State in droves over the last decade and those who've remained stay only because they are Tier One PERS and close to retirement. The recruitment and retention problems are particularly acute with skilled trades, managers, degreed professionals, and with law enforcement and other occupations that require a background check and a drug test. With Homeland Security, TSA, an increasing prison population, growing law enforcement, increased reserve and NG mobilization, etc., the whole Country is pretty much out of people who can pass a background check and pee in a bottle.

new Black3 | July 13, 2007 - 8:55am

reply »

I most certainly do...

I worked for the State so I am very well aware of what goes on within the State. One of the problems people complain about is the fact that SBS Insurance is mandatory. It's a good thing but it's a big chunk out of your paycheck. Then there is P.E.R.S., and the waste of union dues. Having worked in the private sector most of my life I was accustomed to giving a full day's work and working hard. I found this to be not so during my employment with the state. Employees who played around and put the work on lower level staff and bragged that nothing could be done to them due to their tenure and the union. So yes, I know all about working for the State.

new alaskapat528 | July 14, 2007 - 5:30am

reply »

528

Here's the fed's take on thow the mandatory stuff becomes corrupted.

Figure 3 is a good explanation of how the corruption works for them.

new edgefinder | July 14, 2007 - 8:07pm

reply »

you have no idea how State employees work

But we have an Idea that you are corrupt, and were appointed to retire.

And that the FBI came to the state looking for ethics violations that and that you retaliate against people required to report them.

I would say that you are part of an association in fact with AFSCME, would you?

Their "e" stands for extortion.

new edgefinder | July 13, 2007 - 12:48pm

reply »

FBI - Stevens-1077

And you're still fired, aren't you

moron? If you have a charge, make it formally instead of just sitting here spewing s**t.

new Black3 | July 13, 2007 - 1:32pm

reply »

"Spewin" at the Federal Court

Like before, I am choosing the venue well for local rules and you will have a chance to answer why a treaty was violated when the Federal Gov. funds "Adequate and In Place" programs. A good case for fraud there.

I think San Jose. Good for you?

I figure it is not a stretch to call you association in fact of the AFSCME, as you seem to share so many e-mails that correctly allege violations you collectively ignore.

What's up with your Mgt. Services friend? Is he going to Prison? Seems like JC is probably sweating it about now.

If you have any connection with the state left, it would be wise of you to contact them and suggest correcting the mistake you made, because there is lots of trouble that maybe won't come your way.

DOJ is not missing a beat, and you still say *"few if any convicted?"* You are out of touch.

Your head just like a radial tire, becomes unsafe when overinflated. You are overdue for a shrink.

Maybe it is time you check with the program

new edgefinder | July 13, 2007 - 2:06pm

reply »

I have absolutely no concerns

about anything I did or didn't do. As to "friends" with the State, I considered them a useless and usually dangerous luxury; at most you have allies from time to time. Now go back to your fantasies.

new Black3 | July 13, 2007 - 2:40pm

reply »

BTW

Are you fantasizing about Acquittals?

new edgefinder | July 13, 2007 - 8:05pm

reply »

It's no longer just what you

It's no longer just what *you* did. It is the pattern and literally cast of characters you associate with who commit acts in furtherance of certain objectives that are of questionable intent.

Sorry to hear you have no more friends at the state. They probably won't need any fabrications to scapegoat you.

You ignored crimes. New ethics legislation in the state [AK] that can be tested in California Federal Courts.

Just like your defective thought could to my retirement, my job, property, your retirement can now be partially taken away. Should have done the right thing long ago, Buddy.

Just like retalitory transfer I will effort that you learn empathy by removal from your situation and into another of limited or no choice of your own.

FBI - Stevens-1078

Willful ignorance is cowardice , Monty.

How about Seattle Venue? You Like Seattle? There was a fraud by a state worker there, in the State's response to a Federal Agency. I can proove it and so they could take Jurisdiction.

But then again Maybe San Jose is better for local rules. Wait I guess It' s Fresno or Sacramento

WHAT DOES YOUR LAWYER SAY?
WHAT DOES WAYNE REGLIN'S, or DEPUTY KEVIN'S LAWYER SAY? Post it here. I'm all for keeping this a transparent deal since it's the GOVERNMENT more or less.

Not like I need to go around passing the *curse of the writ* to everybody else, but it's just time to be put back to work one way or the other and I figure spread the writ around to some Teir I& II's that know and know better.

I figure we need to test out the new ethics law ASAP, and as high up the system for starters, on you and some others that there is adequate evidence. Kind of like when someone goes to have a contract enforced by ASEA. You go to your pension account and for some reason they'd just love to help you but money (that you thought was in from state contribution) just isn't in the deal anymore.

San Jose/ Bay Area.

It is the association and the evidence presented that you reasonably should have a clue. And some of the evidence you have no clue about directly relates to why Santa Clara County, or close to the bay area.

So there, If you aren't in on the AK Grand Jury, you probably know where to shop for an attorney.

It's been nice having this talk about corruption in the State, Monty.

Maybe we can check up again in a week or two if you aren't too busy with other things. I'll try to be around a computer sometime in my travel.

new edgefinder | July 13, 2007 - 7:07pm

reply »

Your psychotic drivel speaks for itself
n/t

new Black3 | July 13, 2007 - 8:18pm

reply »

Is it drivel or an internet
Is it drivel or *an internet rumour.* Or an Alaskan *urban legend.*

Or is it a humongous hoodwink.

Just shootin' ya straight Monty, you know that. I don't beat around the bush. It's Hurricane Latrina and it's makin' landfall. Residents are soon to be displaced to 'facilities.'

Oh, and silly me, you don't get an attorney when you talk to the Grand Jury. Hopefully we can gather evidence that way though.

new edgefinder | July 13, 2007 - 8:24pm

reply »

Why can't we all just get along?
?

FBI - Stevens-1079

new AK_Lady | July 13, 2007 - 10:23pm

reply »

Get Along?
Get along down to the Federal Penn...

Blackir had his opportunities. It's just an opportunity for me, right?

I do get to see the result of my toil

sometimes.

new edgefinder | July 13, 2007 - 11:24pm

reply »

And the new Tier IV

PERS system isn't going to help. If people think that State employees are simply wasting oxygen now, just wait a few years...

new uapuck16 | July 13, 2007 - 10:20am

reply »

Make up your mind, folks

Do you want more oversight over legislators/candidates? If so, you need investigators, or bureaucrats.

new Valley_Dude | July 13, 2007 - 8:15am

reply »

That is obviously a job that

they want to SAY they're doing and not do at all. Nobody in their right mind who knows anything at all about either government or investigation would take that job for that money. I didn't look at the posting, but 4K is about a Range 16 or 18, which tranlates into a nobody in the very rank conscious State government.

OK, now I did go look, and they made it partially exempt as well, which is as close to "serves at the pleasure" as a State job gets. So, you get potentially one of the most controversial and confrontational jobs in State government for lousy pay and no protection.

new Black3 | July 13, 2007 - 4:40am

reply »

That is obviousiy a job

"That is obviously a job that
they want to SAY they're doing and not do at all"

Sounds like what you did. Nothing...and nobody was 'protected' from your retaliations.

See the Idea is get away from the corruption you helped to incubate. You had the bad combination of being both cowardly and unethical to let it persist.

Friday the 13th and 26 indictments predicted? How far down is 26th indictment? Which convicts are these *"few if any"* you predict will be found guilty? I haven't seen an acquittal yet myself.

Few is a three, and the DOJ is on Vic, the fifth that will be convicted, and they're batting a thousand. Makes monty look like what Jake Metcalfe calls first degree stupid.

Answer the door for them *whenever* they come, or they might rip it off the hinges.

And sing like a Lark- it will make the new APOC investigator's job easier if the FBI makes a thorough cleanup of the LR /union scum.

new edgefinder | July 13, 2007 - 5:06am

reply »

FBI - Stevens-1080

Double up on the meds.

Days like Friday the 13th, like full moons, are hard on psychotics.

new Black3 | July 13, 2007 - 6:41am

reply »

My personal favorite APOC favorite

Gail Phillips - three ethics violations, including accepting donations during Session, and all she got was remedial APOC training in ethics. Now there's truly an outstanding Speaker of the House for Alaskans.

new michael_cathy | July 13, 2007 - 3:39am

reply »

Know the facts first

As an elected official, Gail Phillips was subject to criticism from the public. As her daughter, I have become accustomed to hearing and reading the condemnation against her, what a sad fact to say. I would ask, however, that you learn the facts before you make a public statement when you are criticizing someone. First, you need to know that reports to APOC were more complicated and both the donor and the candidates/legislators had to file APOC reports. One of the ethics violations charged against Gail was for 2 donations that were written in time, but were not received by her in Juneau until after the legislative session had begun. Gail returned the donations but did not report the return in a timely report, thus the citation from APOC. The other two ethics charges centered around her hosting a baby shower for a friend and displaying a campaign contribution – a beautiful quilt made by one of her constituents – in her legislative office. Hardly violations that prove that someone is unethical or immoral. Please also remember that anyone can file an ethics complaint against any elected official, even if the charge has no merit. These charges remain on the official's record even if they are dismissed by APOC as unfounded. Gail will always carry these charges on her record. She was remiss in the timing of one report to APOC and the other two charges were dismissed. You did get one part right however: Gail was truly an outstanding Speaker of the House for all Alaskans!"

new robin1 | July 13, 2007 - 1:32pm

reply »

Room 604

Since she was Speaker during part of the timeframe all these indictments and arrests are being made, it will be interesting to see what develops. VECO seems to have had free reign over the Alaska House for decades, somebody let them get away with it.

new michael_cathy | July 14, 2007 - 5:08am

reply »

Discretion and tact are essential

I guess that eliminates me, sounds like a fun job though.

new twentythreeskidoo | July 12, 2007 - 6:51pm

reply »

Bad Joke

How about paying a real salary for someone who can save us tens of millions a year? Sadly the State's priorities are upside down.

I am sure there are hundreds of bureaucrats that get a lot more and do absolutely nothing for the residents of Alaska.
BS

new BravoSierra | July 12, 2007 - 4:54pm

reply »

Not too worrisome....

When all the folks being accused of this, that and the other on the front page of The ADN and by some on the various blogs are jailed there'll only be about 3 people left running loose in Alaska.

$$ sound good for such a simple part-time job!

new rin | July 12, 2007 - 5:54pm

reply »

FBI - Stevens-1081

Sounds Good!

Of course, they might want to consider someone from the Valley.

We already know how to identify fertilizer.

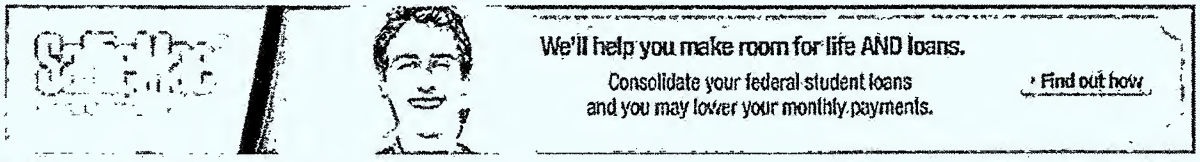
new palmerbuyer | July 12, 2007 - 3:53pm

reply »

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FBI - Stevens-1082



Lobbying

Posted: July 13, 2007 - 12:16 pm

Sorry for the delay. Here's a belated thread on today's city lobbying story ...

By KYLE HOPKINS
khopkins@adn.com

(Published: July 13, 2007)
Until this year, Bill Bobrick was the busiest lobbyist in the city.

A former director of the state Democratic party and friend of the mayor, he represented about three dozen different clients over the past five years, according to public records.

Suddenly, the go-to guy on city issues is out of the game.

His clients have disappeared. He's pleaded guilty to conspiracy in a federal corruption case and the Anchorage Assembly slammed the door behind him, passing new rules that ban anyone with a felony record from registering to lobby the city.

So, if you're well-connected, don't mind hours of meetings about zoning rules and can navigate the maze of bureaucracy: Help wanted.

Two candidates for Bobrick's former title have emerged in his wake -- one an ad agency owner and the other a former lobbyist who until recently worked for the city -- although neither has as many clients as Bobrick regularly served.

"There's a void right now," said Marc Heilenthal, an Anchorage pollster and political consultant who worked for Republican candidates in this year's Assembly races.

"This is a career opportunity for somebody out there," he said.

But what kind of career is it exactly?

Assemblyman Dick Traini said lobbying the city is like being a pitchman.

"They're not really selling a tangible product, they're trying to sell an idea. And they're trying to get enough of the 11 people (on the Assembly) and the mayor that they can get it brought forward."

Jim Lottsfeldt, who owns an ad agency, registered to represent three clients before the Assembly this year.

"Government sometimes is hard to understand or hard to work with," he said, "And so you bring in specialists to help. Same reason you hire architects and engineers."

Lottsfeldt said lobbying the Assembly is different than

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.



Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

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lobbying the Legislature in Juneau because in Anchorage, Assembly members are going about their regular lives. They aren't living away from home in the rarefied atmosphere of the Capitol. Here, there's less wining and dining, he said.

Still, a successful lobbyist knows the local players by their first names.

"A lot of Bobrick's success simply was that he was politically connected," said David Dittman, a local pollster and consultant who works mainly for Republicans.

Bobrick ran the state Democratic party in the early 1990s. He donated at least $1,000 to the campaigns of Assembly members Allan Tesche, Dan Sullivan, Dan Coffey, Traini and Mayor Mark Begich.

Begich was the best man at Bobrick's wedding in 1998 and the two have known each other for decades. Thursday, Begich said he never pushed anyone to hire Bobrick. In fact, people don't really need a lobbyist to do business with the city, he said.

Small spenders - 7/16/2007 8:32 pm
Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm
Candidate Harris - 7/16/2007 10:39 am
Lots of lawyering - 7/16/2007 10:01 am
Replacing Kohring - 7/14/2007 2:28 pm
Should dogs be banned from ballfields? - 7/13/2007 12:22 pm
No free wi-fi? - 7/13/2007 12:17 pm
Lobbying - 7/13/2007 12:16 pm
'Discretion and tact are essential' - 7/12/2007 4:38 pm
full archive »

"That's just bull. People want to come meet with me, they can walk through the door. If they want to go down to the Assembly, they can just show up."

Bobrick's conspiracy conviction involved passing bribes to former Anchorage Rep. Tom Anderson. On the witness stand, he said over and over that he regretted his actions.

The crime had nothing to do with city officials, he said in an interview Thursday.

"As someone that's lobbied for over 20 years, I've represented clients in front of (former mayors) Tom Fink, Rick Mystrom, George Wuerch and the current mayor, and countless previous Assembly chairs and assemblymen and -women," he said. "And the crime that I pled guilty to has nothing to do with any assemblyman, assemblyperson, or mayor, past present or future. It only involved Tom Anderson."

'GOOD OLD CAPITALISM'

Lobbying is about relationships, said Lottsfeldt, who also works on state issues.

"It's relationships and the same thing in Juneau ... understanding how government works and how to navigate within government."

Lottsfeldt has signed on with an old Bobrick client, mall developer P. O'B Montgomery, one of five companies that cut ties with Bobrick after he got in trouble.

Lottsfeldt said the company called him, and that he hasn't chased Bobrick's other clients.

Lottsfeldt said he got into city lobbying because he saw a way to earn some money. "Just good old capitalism."

Another new lobbyist moving in Bobrick's wake will be a familiar face for city officials: Kevin Bruce.

Until March, Bruce worked for the Port of Anchorage, which is a city job. He said he won't be able to lobby on port-related projects, but represents Alaska Pacific Environmental Services, developer JL Properties -- both Bobrick clients at one time -- and BP Exploration.

Bruce is a former owner and founder of the public relations firm Northwest Strategies and has worked as a lobbyist before. But the job has changed in the past year, he said.

In December, the Assembly approved new ethics rules that ban lobbyists or their immediate families from donating to the political campaigns of city candidates, or helping those candidates raise money.

FBI - Stevens-1084

"You can't even support the people you like," he said.

Bruce earned a salary of roughly $87,600 working for the port, according to city records.

During the Anderson trial, Bobrick said he made up to $200,000 a year lobbying the Assembly.

That was news, even to local political junkies. Although the state requires lobbyists to report how much clients pay them, the city does not, even in the much-touted new ethics rules.

Bruce and Lottsfeldt wouldn't say this week how much they're being paid for their new work.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

add new comment

Scratch far enough

and you'll find some pretty good old ad hoc Democrat connections there too.

new Black3 | July 13, 2007 - 3:18pm

reply »

Scratch 'n Sniff...

Scratch far enough and you find out all kine'o shtuff went on under your nOse there,too.

Sniff around...I guess for the years you worked for the state you must *like* the smell of Bovine Excrement or you'd have done your job to clean it up.

Hey- an new Idaho link where there's some of the CBC NAME DROPPERS ON THE ADN BLOG have used.

"*Few of any will get convicted ?*" you say, Monty? Which one hasn't been convicted?

I'm sure TA has trouble believing either. Vic beleived he wasn't a target after his Raid. Poor blissful stupidity.

new edgefinder | July 13, 2007 - 6:55pm

reply »

Shut up and go away;

you have absolutely nothing either sane or knowledgeable to contribute here.

new Black3 | July 13, 2007 - 8:03pm

reply »

Oh, c'mon blackie!!!!!!!!!!!!

why would you want him to stop? I once received a card that contained a universal truth that can't be denied:

No man is totally worthless. At least he can serve as a bad example.

new truthseeker | July 13, 2007 - 10:45pm

reply »

We're loaded with bad

We're loaded with bad examples there at the SOA sometimes.

It's usually grounds for promotion.

Wait until the next writ and watch things happen.

Don't you like my embedded links, Monty? They're just especially for you so check them out.

FBI - Stevens-1085

new edgefinder | July 13, 2007 - 11:45pm

reply »

Didn't you like this post?

Didn't you like this post? It has links to your three most favorite people, You yourself and you.

Still working on the embedded links, but I kind of like it for effect. And puns.

Like the Labor / Management?

*Do they help AFSCME dip into every workers paycheck, **AND** the PERS or do they just SQUASH people who warned of the shortfalls which if heeded could have saved the state billions?*

And how about an objective outsider's look at revolving door corruption
with the state and unions' BAs? Maybe with the FBI involved there can be a re-examination of these relationships that damage workplace moral, and foster crime and corruption in the SOA, and subvert contracts and statutes.

Tell us more about Meyer, Bacolas, Hammond and McClarence. And who are Baseden and Crowley, another couple of employees retaliated against for.. And by who? Threatening someones job is extortion.

We can clearly see the influence that is the way BP wants labor relations to be for their donations.

So Tell all on the ADEC investigation, Monty. And tell us of Political Appointee totalitarians being CASTOverboard at the Management Services from the ADEC investigation time period. What did that idiotic powerpoint link cost the state/ education budget and how was J.C. chosen for it?

Tell all Mr. Patronage- Alaska wants to beat Illinois' 79 convictions. Surely there are that many associated thugs. Did you get to hand out the thug points raises also? Sure you did, the job was not announced.

Quit the smooth over of Bovid Excrement. Stand tall , take your lumps, and as the thread says let us know what happened. You need to get over the cowardice.

Alaskans want to know, as well as DOJ and HSGAC. You may not know half of it but the half you do know is enough. Your association(s) in fact, Mail Fraud, Extortion, Perjury, Abuse of Process, Lacey Act violation, ESA problems, Treaty shrugged off, ethics violations, Only two predicate acts are needed. You might even get to be the "bobrick" of Labor/ Management corruption. or ""Sorich3- the the trilogy" Out of Alaska!

And speaking of lobby, don't you think more of those union jakes,et.al. ought to have to registering as lobbyists?

new edgefinder | July 13, 2007 - 10:06pm

reply »

Just lost your meds altogether, huh?

n/t

new Black3 | July 13, 2007 - 11:29pm

reply »

.

The people want answers about the shadowy underworld of the state's management goon squads. You can tell us, Bizck3, it's okay. It's Patriotic.

new edgefinder | July 13, 2007 - 8:41pm

reply »

FBI - Stevens-1086

Ad Hocs

It wasn't until your suggestion to dig deeper that I found two excellent articles that can be found online, about the "Ad-Hoc Organizing Committe For Young Democrats"

The first was written by Josh Medsker, then with the Anchorage Press and can be found here.
It's okay, its focus is primarily on the latter years of the Werehaus scene.

The second article that I found was written by Kim Rich for the ADN in 1986. You'll need to get your library card out to read that one, but trust me, for anyone at all who is curious about what Ad-Hoc was, by all means go and read it.

Here a 2 more excerpts:

> Politics took over when a 31yearold activist named Bill Weimar came looking for a place to live.
>
> Weimar was a rabblerouser. The FBI once documented his activities in a 128- page file that included descriptions of his involvement in the civil rights movement in West Virginia and antiwar organizing in Fairbanks.
>
> At 6feet4 and 250 pounds, Weimar had a commanding presence, with his thick, jetblack hair and deep, husky voice. He operated in hyperdrive and had a gift for recalling telephone numbers. In his organizing days, Weimar would sit for hours with a telephone receiver pressed to one ear, dialing number after number organizing and cajoling, forging alliances and making enemies.
>
> Weimar had quit his graduate history studies at the University of Alaska- Fairbanks to come to Anchorage looking for work. Political junkie that he was, Weimar soon gravitated toward Democratic Party politics. He learned that the Young Democrats were holding a meeting in Kenai. He and some friends decided to go down and take it over.
>
> xxx
>
> "My wife and I got dressed up. We were going to a meeting," Knowles said. "I heard afterward that they thought I was an insurance agent coming to sell them insurance because I had a suit and short hair."

THE WHEREHOUSE: OVER THE YEARS, IT'S BEEN HOME TO A VARIETY OF PEOPLE, CAUSES
Anchorage Daily News (AK)
December 30, 1986
Author: KIM RICH
Daily News reporter
Staff

new twentythreeskidoo | July 13, 2007 - 5:43pm

reply »

The Times were a'Changin'

Going into 1974, Alaska was still the safest of old-time Democrat sinecures. The power structure was aging New Deal Era Democrats and their scions and the Party ran on Liquor's money, Natives' votes, and Labor's organization. If you couldn't give a contract to a friend, who could you give one to? Contemplate the Commissioner of Administration owning the gravel pit that the Department of Highways buys all the gravel to build the Egan Highway in Juneau from. And people talk about corruption now? The only question then was what happened to the $968 MM from the Prudhoe Bay leases. Nobody really knows the answer to that even today. And for those of you who love to hate Juneau because it is considered to be a liberal bastion, it those days it was regarded as pretty much a rascally Republican town, Delegate Robertson, a Republican, having been unwilling to sign on to the Constitution.

The Ad Hoc Democratic Coalition sprang fully clothed into the '74 Campaign, comprised mostly of recent emigres, mostly recent college graduates or recent dropouts as the draft was winding down, and mostly McGovernites, though a few had been "Clean for Gene."

The Old Guard never saw it coming; it was quite literally a coup d'etat. They bolted Egan and backed Hammond and a whole bunch of young guys who not long before had had scoring an ounce or a gram as their major life activity were suddenly running the State; legislators, appointed officials, movers and shakers. What a long strange trip it was!

Wiemar and Parker were the high priests, some would say the Lenin and Trotsky. Just go look at the legislative Classes of '74, '76, and '78 though the wheels were beginning to come off after '78, and the appointees in Hammond's administration in those days. It all ended in a rather resounding crash with the House coup in '81, but by that time many of them were firmly esconced in power and quite respectable. What a ride!

FBI - Stevens-1087

BTW, Kim Rich's book, "Johnny's Girl," is a really interesting look into ANC in the late sixties, early seventies.

new Black3 | July 13, 2007 - 7:49pm

reply »

good one blackie.....

there really is a lot of useful info on this blog. things they would never dare or be willing to print in the newspaper. so much for journalistic ethics.

It must really bug the editors that they can't control this anymore.

new truthseeker | July 13, 2007 - 10:51pm

reply »

Tell Tell....

Yeah, none of that stuff adds up to the corrupt bastards club , but names names, names give us names. Some of those people didn't change.

Give names to the grand jury. It is the wash. It all comes out in the wash. Work the deal so you get to keep at least some of your twilight years.

new edgefinder | July 13, 2007 - 9:00pm

reply »

So Is "Butcher, Baker"

My sister-in-law gave his kids piano lessons.

Larry Makinson's book could use some updating too.

new twentythreeskidoo | July 13, 2007 - 8:03pm

reply »

All those who decry recent events

as some sort of fin d'cicle event should go back and read "Going to Extremes" and "Coming Into the Country" for a view of what Alaska was like back in the good and pure old days. Most of the people in power in those days would steal a hot stove if they could figure out how to get their arms around it.

new Black3 | July 13, 2007 - 8:10pm

reply »

village journey

is a must read too.

new twentythreeskidoo | July 13, 2007 - 8:18pm

reply »

Agree

Spent a few years rattling around rural Alaska as a Fed. Not an experience I'd care to repeat.

new Black3 | July 13, 2007 - 8:21pm

reply »

Fed?

Janitor Route?

new edgefinder | July 13, 2007 - 8:48pm

reply »

FBI - Stevens-1088

Not to fear..

There are plenty of CB's to fill in over at the ADP, as evidenced by his replacement as party chair.

new edgefinder | July 13, 2007 - 1:49pm

reply »

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FBI - Stevens-1089



Replacing Kohring

Posted: July 14, 2007 - 2:28 pm

Mat-Su Republicans have decided on three finalists to replace Rep. Vic Kohring, R-Wasilla, who plans to leave office this week:

-- Darroll Hargraves, a retired school district superintendent.

-- Wes Keller, a legislative staff member for Sen. Fred Dyson.

-- Colleen Sullivan-Leonard, a former Wasilla City Council member who works for the governor's office in the Mat-Su, and serves on the Wasilla Planning Commission.

Gov. Sarah Palin can choose from the list, or pick a different local Republican to fill Kohring's District 14 seat, according to The Associated Press. She has up to 30 days from the day he resigns to make a decision.

Who will it be?

add new comment

Tibbles and Bits

The governor might want to look a little harder to find her employees that mess around on their spouses.

Juneau is a hotbed (pun intended). She got rid of the best staffer she could have had. There is no one who she could have trusted more. She has appointees on Commissions who have been accused of sexual harassment, and other serious charges.

Think about it. And don't kid anyone, theres someone with an inside track for this appointment. Just get the name out there, unless you appoint the first dude no one cares.

new Barbies_R_US | July 16, 2007 - 4.37pm

reply »

Sarah - give me a chance !!

Geez, why wasn't I considered for Vic's job? I own a cabin in the Su Valley, I don't know Sarah or any elected official, I know no lobbyists, I voted for Sarah, I gave my last suit to the Salvation Army and I own Carhart overalls and a Polaris snowmobile. I'd be perfect for the job, and I would gladly do it!!! Sarah ... give me a call !! Please !!

new tkelley | July 16, 2007 - 10:55am

reply »

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.



Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

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www.indiainalaska.com

FBI - Stevens-1090

194-AN-13620-M; 494

Yer our boy...

Now for the legislation we need . Are you up for that?

new edgefinder | July 16, 2007 - 10:19pm

reply »

Don Young update???

According to his most recent FEC Report -he has spent over $260K on lawyers last quarter.

Young is supposedly allowed to use campaign funds to pay his legal bills, which I find odd.

Kyle -any truth to this? I'm assuming he wouldn't be spending that kind of money on lawyers unless it involved some sort of investigation of a serious nature, i.e. multiple grand juries and potentially multiple indictments.

new Stags_Leap | July 16, 2007 - 8:50am

reply »

Small spenders - 7/16/2007 8:32 pm
Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm
Candidate Harris - 7/16/2007 10:39 am
Lots of lawyering - 7/16/2007 10:01 am
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Lobbying - 7/13/2007 12:16 pm
'Discretion and tact are essential' - 7/12/2007 4:38 pm
full archive »

It's totally legal

Representatives can use campaign funds to cover legal expensed incurred during the course of doing their job.

new twentythreeskidoo | July 17, 2007 - 11:32am

reply »

Legal under federal law

Not under state law. So Tom Anderson could not use campaign funds.

new theodosius30 | July 17, 2007 - 2:12pm

reply »

What a shame

The CBC must be slipping, they missed a good opportunity to fund their legal bills- which by the way look like they are going to be in the millions.
Looks like DY and Uncle Ted planned quite a bit better. That is why they are major leaguers and not minor leaguers.

new BravoSierra | July 17, 2007 - 3:59pm

reply »

Why??

In this day and age are we still allowing politicians to be appointed??? We should be able to vote on this.

new Valley_Dude | July 15, 2007 - 2:25pm

reply »

This is a "No Brainer" -- Colleen by a country mile...

...It isn't even going to be close...

new haroldb_99501 | July 15, 2007 - 2:22pm

reply »

FBI - Stevens-1091

District 14

Can be as easily misled and lied to by hand picked nominees as it has been by elected officials.

new disenchanted01 | July 15, 2007 - 10:02am

reply »

District 14

Yep. And considering how closely allied District 14 "movers and shakers" are to Randy Ruedrich, no one should feel good about this process.

new iHEARTmea | July 15, 2007 - 10:22am

reply »

exactly

Maybe hanger 18 has been moved to district 14.

new tt13 | July 15, 2007 - 10:10am

reply »

So...

that's where they work out those tedious little details of lucrative construction contracts, public process and "transparency" AFTER the work is done. Is that like an after-hours club?

new disenchanted01 | July 16, 2007 - 8:51am

reply »

probably

But it's also a super secret insider place in the desert where "They" do super secret insider stuff that only "They" are privy to.

new tt13 | July 16, 2007 - 4:12pm

reply »

the choice

the queen will only select someone who will toe her line. Independent my bottom.

new Stags_Leap | July 15, 2007 - 6:29am

reply »

Big surprise

I notice you've traded in your claim that Menard would be the anointed one for a more general claim that allows you to criticize whomever the final choice is. The election was eight months ago, Stags. Your man lost. Get over it. You're nothing if not predictable.

new iHEARTmea | July 15, 2007 - 8:13am

reply »

I supported Croft

in the primary -and TK in the general.

I was thinking, the prom queen's campaign slogan should have been: if I only had a brain.

I just hope her and her LNG route groupies don't ruin the gasline contract process, so the new Gov coming in 2010 can salavage something.

new Stags_Leap | July 15, 2007 - 9:17am

reply »

FBI - Stevens-1092

2010?

You mean 2014, don't you? Inaction is a sure bet to re-election in this State...

new uapuck16 | July 15, 2007 - 11:16am

reply »

special election

Screw this appointment crap. We're still not fully sure who to trust. There's too much corruption all across the board to let politicians pick politicians right now, (ever).

new tt13 | July 15, 2007 - 5:59am

reply »

Not to be rude...

But the voters endorsed ALL of the politicians under indictment. In fact, District 14 re-elected Kohring after the FBI investigation was publicly underway.

new amoeba | July 15, 2007 - 12:44pm

reply »

yes

But even tho it (the investigations etc,)was already underway the knowledge or passion of/to these incidents was still not as widespread as it is even today. I would suspect that anyone who tried to enter a special or emergency election now would be scrutinized by the public so intensely that their underwear would fall apart from all the puckering when the hard questions were poised for presentation.

new tt13 | July 15, 2007 - 3:23pm

reply »

I hope you are right...

tt13, I would like to have your faith in Alaskan voters. I guess I have been dumbfounded by voters' continuing to support obviously corrupt politicians too many times in the past couple of years to give them the credit you would. Let's hope they do some housecleaning next time around.

new amoeba | July 15, 2007 - 7:24pm

reply »

It has do do with party choices.

Comes election day (not primary) the voter looks at the offerings of the two major parties.

One has a faint stink of corruption.

The other promises policies that will eliminate your job and boost your taxes.

Those are your choices.

Pick one.

Or throw away your vote by staying home or voting for a third, fourth, or fifth "party" candidate with not a snowball's chance in hell of being elected. Thereby making it easier for candidate you fear MOSt to get elected.

Pick one.

I swear we need a new party:

"NOTA".

None of The Above.

But it ain't gonna happen.

new rfn | July 16, 2007 - 9:26am

reply »

FBI - Stevens-1093

Just write in...

...NOTA

I do it for one or more races every election.

Just one of ten campaign and election reforms we need now.

new Emperor | July 16, 2007 - 10:15am

reply »

No- go with the majority.

UNDECIDED

new edgefinder | July 16, 2007 - 10:25pm

reply »

Experience

Do any of these candidates have any private sector experience?

They all appear to only have government experience in their recent jobs and that is a concern. We need people in leadership positions who do not think, and act, like government bureaucrats.

new Stumpy1 | July 15, 2007 - 12:40am

reply »

Stumps

So now it is private sector experience which guides you.

Care to tell us about the private sector experience of your hero?

new TheSdog | July 15, 2007 - 12:15pm

reply »

Now Dog,

You're being a little hard on the Palin, here. She did do a few months of weekend sportscasting on TV. You cant say THATS not private sector experience.

new tomtom | July 15, 2007 - 5:40pm

reply »

Ah yes

The media...one of thos places all these govt people pop in and out of on a regular basis.

I was actually being hard on stumps who shifts his standards depending on the case. I hearby dub him "shifty1."

new TheSdog | July 15, 2007 - 5:57pm

reply »

Three Great Choices

Kudos to the District 14 Republicans for putting together a great process for parsing the applicants and forwarding three great candidates for appointment to the State House.

Any of the three candidates will be an asset to the legistature and represent the Valley well.

new lack | July 14, 2007 - 11:55pm

reply »

tell the whole story

wasn't Hargreaves a lobbyist for The Ak Assoc of School Administrators? What else is missing on the bios?

new charlieh | July 14, 2007 - 3:53pm

FBI - Stevens-1094

reply »

Go Wes!

Wes Keller would be a good choice.

new freezinfranz | July 14, 2007 - 5:39pm

reply »

is wes an extremist.....

on social issues. Lets please not have any more of those.

new truthseeker | July 15, 2007 - 6:17pm

reply »

He works for Dyson?

Oh yeah... then he's an extremist on social issues. Palin will love him.

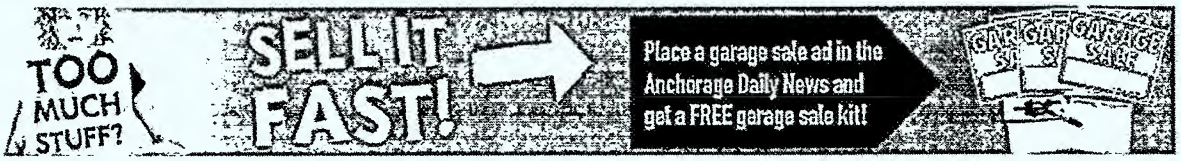
new AK_Lady | July 16, 2007 - 9:35am

reply »

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FBI - Stevens-1095



Lots of lawyering

Posted: July 16, 2007 - 10:01 am

Politico.com, among others, have tallied the size of Rep. Don Young's legal bills last quarter -- more than $260,000? -- based on a recent **FEC filing**.

Speaking of FEC reports, Sen. Ted Stevens' campaign announced on Friday that they raised about $400,000 in the second quarter of this year, and had about $860,000 cash on hand as of June 30.

add new comment

Washington Post
also has a piece on DY in today's paper, 7/17/07, Page A17.

new Stags_Leap | July 17, 2007 - 6:54am

reply »

I am computer illiterate
Can you provide the link.

Thank you.

new theodosius30 | July 17, 2007 - 9:03am

reply »

Washington Post Article
Here is the link It requires registration (free) so I'm posting the relevant excerpt below.

"...The largest payout for current members came from Rep. Don Young (R-Alaska), whose campaign shelled out more than $262,000 to a pair of top Washington firms: Akin Gump Strauss Hauer & Feld, which took more than $242,000, and Tobin, O'Connor, Ewing & Richard.

Unlike some of the others on the list, Young has not been the target of a subpoena. But Mark Zachares, a former staffer on the House Transportation and Infrastructure Committee while Young chaired it, pleaded guilty this spring to trying to help Abramoff's clients in exchange for the promise of a future job at his firm.

In addition, Young's current district director in Alaska recently lobbied for an energy conglomerate whose chief executive pleaded guilty in May to bribing several state lawmakers. Young and Sen. Ted Stevens (R-Alaska), who has hired his own team of

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.



Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail, 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

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(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

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Commercial Mortgage Loans Compared Hard Money Lenders Reviewed - AK
www.Businessinfotoday.c

FBI - Stevens-1096

194A-AN-13620-M; 495

lawyers to deal with that probe, were the top recipients of donations from the executive and that company.

After spending $25,000 on Akin Gump in the first quarter, Young's campaign told reporters the funds were spent out of "caution." Yesterday, his congressional office deferred comment to Young's campaign staff, which declined to answer questions about his legal aid."

new Emperor | July 17, 2007 - 12:03pm

reply »

Thank

you. Very interesting. I am beginning to think that it is not if but when Young is indicted. That is a phenomenal amount of money to be spent on a little bit of advice. And I am appalled that Federal law allows campaign funds to be spent defending against criminal charges.

new theodosius30 | July 17, 2007 - 2:10pm

reply »

Small spenders - 7/16/2007 8:32 pm

Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm

Candidate Harris - 7/16/2007 10:39 am

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Lobbying - 7/13/2007 12:16 pm

'Discretion and tact are essential' - 7/12/2007 4:38 pm

full archive »

AlaskaReport.com has the full story on Don Young

Alaska Republican Congressman Don Young spent $262,138 on lawyers last quarter anticipating multiple indictments from the FBI regarding his roles in at least three different criminal cases under investigation.

Young's involvement in a $10 million earmark into a Florida highway bill that benefitted a big donor one week after he raised more than $41,000 in campaign contributions for Young is one target. A grand jury is working that case right now.

Young's significant ties to imprisoned former lobbyist Jack Abramoff have drawn investigator's interest and Abramoff has reportedly given information to the FBI regarding payments to Young in the Indian lobbying scandal. Republican Bob Ney and two aides to Tom DeLay (R-TX) were indicted in that scandal. Young falsely claimed in February of 2006 "I have never had any personal or professional relationship with Abramoff." Documents have proved that he or his staff met or had discussions with Abramoff or his agents at least 11 times before February of 2006. A separate grand jury is working that case.

A third grand jury has been investigating Young taking over $20,000 in campaign contributions from indicted Wisconsin executive Dennis Troha, his family members, and company executives just after Young inserted an item in the 2005 federal highways bill that helped JHT holdings owned by Troha. An amendment sponsored by Young allowed 97-foot multi-truck combinations on the highways; it was included in a highway spending bill that became law in August 2005, at the time Young chaired the House Transportation Committee. Campaign records show that Young received $25,000 from the Troha family and associates, with most of those dollars coming on May 23, 2005, the Journal Sentinel reported.

"Don Young owes Alaskans an explanation," Alaska Democratic Party leader Jake Metcalfe said. "Why did he push a law that compromises highway safety? Why did he take campaign contributions from the trucking interests who benefited from that change?"

FBI - Stevens-1097

Young lost his influential post as chairman of the House Transportation Committee when Democrats took control of Congress in January.

Congressman Young's office did not return repeated e-mails from AlaskaReport.com seeking comment.

new TruthforAlaska | July 16, 2007 - 6:33pm

reply »

Ditto - and see hyperlinks

Dear TruthforAlaska - nice of you to provide the reference to AlaskaReport, as it's where I am an occasional columnist. Readers might not know we've

been predicting for years that Young would fall from grace. On Sept. 23, 2006 I posted a Groundswell article re Ted and Don's corruption and violations of Honest Services by fraudulent means - see link at < http://www.alaskareport.com/stephen-taufen30012[dot]htm >.

How many Alaskans know Young dropped into a bill for the Aleut Corporation a return of $2 million on a $3 million tax assessment and fine (which was probably a fraction of what was really due!)? They wanted Don to do it in 2002, via Frank Murkowski's senate bill on Adak Land Transfer, but Don thought it would get attention. So he slipped it in - earmarked it - later. That demonstrates his REPUBLICAN disregard for tax evasion and worse. Frank is as crooked as they come too, as he made sure records submitted to the Senate Energy Committee/ Public Lands subcommittee by Adak City councilmembers and my partner (electrical privatizer) were redacted and never made it into the hearing on Land Transfer where the Navy and Interior would have seen them. Murkowski's office called the Mayor on the phone, ordering me off the island, too - we submitted the voice tape from Mayor to my partner in a federal deposition in Dec. 2005.

When Murkowski needed the records of the Adak city councilmen removed, he used Tom Albert of Birch Horten Bittner and Cherot - yes, Bittner of Ted's brother-in-law fame. Some of these folks also interceded in some fashion with the Economic Development Administration to keep FOIA request from being filled, to me, that would have provided evidence on $3.4 million wasted from Ted's EDA grants (over $10m) in 2002 timeframe... wasted on a powerhouse renovation that Aleut Corp. lied to everyone about. Their newsletter said the plant was operational - blatant lies. They were price gouging federal funds for fuel costs to run the utility, too. Tony Knowles, Frank and Ted and the Regulatory Commission (RCA) all failed to intercede. The story is too long to continue here, and Alaska is joined by Florida as a Don Young haven -- and other states too.

In that article link above, I also republish quotes from news in Florida which pretty much outlines that some of their Congressmen have been lying to the press, lately too. They had praised Don for getting an additional $81 million for the Florida I-75 project etc. So, it is not just about the $10 million Coconut Road item.

Don has a great disrespect for private citizens having rights. Years ago, when two oil industry whistleblowers got $380,000+ each for providing evidence of tax evasion on oil royalties, Don wanted to help out the likes of BP, Exxon or whomever in Alaskan oil, so Young tried to find those two Wb's in Contempt of the House because they refused to share other information with Congress. They had an upcoming lawsuit, and Young obviously wanted to force disclosure - which would have allowed the oil companies access.

Don Young belongs in a special jail cell with a Yukon sized bathtub he can run a rubber river boat in... The nation's highways fall apart because he's got better personal power ideas of what we all paid federal gasoline taxes for.

Easy Prediction - look for Duane Gibson of Yummy Chummies fame to be the next Abramoff indicted Don Young former aide.

-- And oh, poor Lisa ... how does she afford housing in Anchorage, DC, and on the Kenai?

But hey, as far as states go, Alaska is still a baby -- and thus no surprise that it still needs a lot of political diapers changed. And BTW, darned tootin right we can blame each and every one of them for what they did - there is no system but that which people of integrity or which dishonest people will create and rule. We prefer the former. The latter are not victims, so pls bloggers, quit mitigating this by such excuses. Our forefathers said it was a republic they created if we can keep it. It has turned into a plutocracy, kleptocracy and corporatocracy because Ted, Don, Frank, maybe even Lisa, and certainly others were making darned sure of it. It's time for some BabyWipes!!

FBI - Stevens-1098

[;->
PS: DRAFT RAY METCALFE FOR U.S. SENATOR!!!

new staufen | July 17, 2007 - 5:10pm

reply »

The System

You can't blame our gang for thier actions. They are only doing what

politicians do. They, are products of their environment. It is we, the voters, who are to blame.

We keep sending the same people back to Washington, with no limits on terms, meanwhile we cheer the millions of dollars in earmarks they bring home.

Are we daft to not think that this situation creates a climate of favoratism and chronyism. Do we think the money for "bridges to nowhere" come with out a price.

Lobbyist are Americas answer to legal bribery. What do we do? We ask the people who are receiving money from lobbyist to write the rules.

America needs term limits on all Washington positions and independent council on lobbyist.

Until we, the public, demand a cleaner government, all can expect the status quo to prevail and corruption in our Government to continue as it does.

Don't blame the system, blame yourself.

new lamblj | July 17, 2007 - 7:52am

reply »

Lisa Murkowski???

now being looked at by the Justice Department? Will this madness ever end? I have long suspected that Frank, Don, and Ted would all be taken down by this scandal -but not baby Lisa. Say it ain't so.

new Stags_Leap | July 16, 2007 - 1:59pm

reply »

Talk about innuendo

This story is in very sketchy early stages.

The ADN has no business pulling the Begich/Bobrick/Knowles story if they are putting this up.

new TheSdog | July 16, 2007 - 2:24pm

reply »

the point is

baby Lisa refuses to disclose the purchase price or comments about it. Begich and Knowles both made public statements about the Bobrick story.

If Lisa has nothing to hide, then why not disclose the purchase price?

new Stags_Leap | July 17, 2007 - 6:56am

reply »

Stags

Purchase prices?

You did not seem to care about the purchase price of the 4th Ave theater?

I still say this story is innuendo at best at this point. There is clear editorial bias at the ADN.

new TheSdog | July 17, 2007 - 7:29am

reply »

why ?

the newsreader is just an aggregate of stories that are relevant to Alaska produced by other media outlets.

the beat is getting louder and steadier.

new twentythreeskidoo | July 16, 2007 - 11:12pm

reply »

FBI - Stevens-1099

Hmmmm

ADN ran a story today.

new TheSdog | July 17, 2007 - 7:29am

reply »

Sketchy?

Hardly.

http://tinyurl.com/ynt7m8

There's the FEC link we all need to look at. Young is in a heap of trouble.

Anyone else find it interesting that all of these lowlifes being investigated are Repugs?

new goshrx | July 16, 2007 - 3:43pm

reply »

Follow the thought process please...

The subject stags brought up was Lisa's Kenai property not DY.

new TheSdog | July 16, 2007 - 3:49pm

reply »

Sdog:

Does it really surprise you?
I would love to see what would be dug up if Knowles and Begich were put under the media microscope.

new AK_Logic | July 16, 2007 - 3:18pm

reply »

put a Fork the media...

They are done with microsopes other than what the FBI tells them.

The investigation is in good hands with ALLSTATES.

The previous admin has their own skeletons. It comes out in the wash I bet.

They have managed to sweep so much under the rug by revolving door corruption it's incredible.

Bring it up while they [FEDS] are in town. You can't count doing it by voting, it seems. The crisis requires transfers.

new edgefinder | July 16, 2007 - 8:39pm

reply »

you really don't want to know

but if you do, the APOC records and the Anchorage Municipal Library are a good place to start.

You can find old issues of the ADN, the Daily News Miner and the Juneau Empire on the Library website.

There's also a multitude of websites such as the FEC, Opensecrets and Political Moneyline that are a good way to follow the money.

FBI - Stevens-1100

But it ain't news unles the ADN prints it.

new twentythreeskidoo | July 16, 2007 - 3:32pm

reply »

In America

whatever is going on you can bet a lawyer is making money off of it.

new TheSdog | July 16, 2007 - 11:52am

reply »

The Beat Goes On...

Allegations Pay
Ethics Probes Keep Lawyers Flush
By Paul Kane
washingtonpost.com Staff Writer
Tuesday, July 17, 2007; Page A17

> *In addition, Young's current district director in Alaska recently lobbied for an energy conglomerate whose chief executive pleaded guilty in May to bribing several state lawmakers.*
>
> Justice Department probes of congressional corruption continued to provide big business for Washington's white-collar criminal defense attorneys, who billed at least $1 million in the second quarter to current and former House members involved in federal investigations.

new twentythreeskidoo | July 16, 2007 - 10:25pm

reply »

Don Young's illegal campaign contributions

Why hasn't ADN reported on Don Young reporting to the Federal Elections Commission that for many years he has been taking illegal in-kind contributions from the seafood industry? He says he will repay some of the contributions, but will keep the contributions that he accepted during years for which the statute of limitations has run. Perhaps the ADN doesn't know about this letter, so here it is (and now perhaps it will be reported?):

From an official FEC filing.

June 28, 2007
Federal Election Commission
Reports Analysis Division
RE: Prior Year In-Kind Contributions Pacific Seafood Processors Association

On March 9, 2007 our Campaign Manager, Steven Dougherty, received an email from Dennis Phelan of the Pacific Seafood Processors Association (PSPA) saying that he had researched the PSPA records and determined that the PSPA had made In-Kind contributions of seafood to Alaskans for Don Young's annual "Crabfeed" which is held in Washington, DC each year. He listed the following In Kind contributions by year:
2000: $715.00
2001: $795.42
2002: $794.00
2003: $871.55
2004: $933.06
2005: $763.00
2006: $711.03

I did not have prior knowledge of these contributions until I was given a copy of the email from Dennis Phelan. Because we are prohibited from accepting contributions from an industry trade association that is not a PAC we propose to rectify the situation by refunding the contributions for 2004, 2005 and 2006 to the PSPA.

We will not refund the earlier In-Kind contributions for 2000, 2001, 2002 and 2003 because they were made before the three year statute of limitations.

Sincerely
Robert J Bohnert Treasurer,
Alaskans for Don Young C-00012229

new alambernakis | July 16, 2007 - 11:13am

reply »

FBI - Stevens-1101

Crab scraps?

Sure. Only $700-$800 per year... what!, were they crab scraps off the processing floor? Word is that it was about $2,800 for 2007.

This smacks of a red herring letter instead of truth on crab. So, before the Federal Elections Commission takes this letter at more than face value from the Foreign-cartel's Seafood Processing Association, it should demand access to all invoices, shipping documents, and do comparable uncontrolled pricing of the value of these products on the real market.

These companies are experts at lying to the IRS, about Transfer Pricing (involving hundreds of millions of dollars per year) so why wouldn't they lie to the FEC?

new staufen | July 16, 2007 - 2:17pm

reply »

Staufen is crabby, that's for sure

Hi Steve nice to know you are still throwing out allegations that have been disproven over and over ... like the Bristol Bay lawsuit, remeber that one? Ah well facts never bothered you before.

new kodiakkrab | July 17, 2007 - 8:51am

reply »

OK Kodiakkrab, I'll get crabby for a minute!

Not only are you a COWARD for not identifying yourself to the public, but for not calling me up first - you know where I live in Kodiak - and being man enough to confront me personally with your lies and innuendos. We know your type, those who run around behind backs slandering and libeling, attacking the messenger, never contributing to the message. What is your proof we have been incorrect - other than a bad jury not doing its job?

The proof of international crime is in the records of that Alakayak (Bristol Bay) salmon antitrust casefiles and it was surely coming out at that trial. Were you also aware one alternate juror was let go because she was signaling the defendants's lawyers about the vote count of the jury by holding up pencils? Turns out her family and Ben's family had apparently been on the phone several times in the few prior weeks. Do you think Ben might pay a price yet for that?

BUT NEVER FORGET, I/GROUNDSWELL WAS PROVEN 100% CORRECT IN THAT CASE: Marubeni laid $25 million on the table in that case within hours of the facts of Abusive Transfer Pricing entering the courtroom. A former Marubeni executive personally confirmed that it was due to them being scared of ATP once the Japanese had to provide the retail-price data. They thought the case was lost, as it should have been. So do you believe your own self delusions or Marubeni's own executives and the other companies who paid to get out of the case, many because they knew it should have convicted them? Have you ever seen any Japanese corporate representative in the media actually disputing our ATP facts, even just saying "Oh, but here's where you are wrong, Mr. Taufen"??? Not even you can do it, so you just resort to quick razor cuts - hoping the public will believe in your little game.

Do you feel better now? You shouldn't = because cowardice cannot be brushed away that easily.

You know very well that the jury did not deliberate on the case for more than a few moments, and ran away for a long weekend. In other cases involving Mitsui, juries deliberated extensively and convicted, yet this case had ample evidence to do more than that. Sure, the plaintiff boutique lawyer came across bad to the jury - but their obligation was to look at the facts. And Wards Cove pulled the grand illusion while the jury ignored their lead role in the Okaya Plan. You know, the smoking gun that the jury said it didn't see. If you really belong to the seafood industry and don't know these truths, and that the processors did fix the prices, then you are an imbecile too.

But we aren't crying about the case outcome, even though we protest a bad jury, because in the larger scheme of things, fishermen won that case because the truth did come out. A temporary bad verdict aside, it has helped convince federal authorities that there is no justice in Alaska unless the FBI intercedes. Maybe you just don't understand that winning battles are not equivalent to winning wars. And did you forget that the Justice Antitrust Dept. was ready in early 1990's to prosecute RICO and put seafood executives in federal prison, but Mitsui and Maruha convinced the US Government that "one species does not an industry make"? That's why pollock, then crab, then other species became the privatization schema. Salmon will be stolen too - but we plan to stop that, if Palin gets a good look at it.

FBI - Stevens-1102

And the evidence still sitting in that Anchorage courthouse fileset

could well be used as evidence currently... especially regarding coercive monopolies like that of Crab Ratz and the Rockfish Pilot Program. Remember also that Ben Stevens and Clem Tillion interceded in the media on behalf of processors --- a dumb move in hindsight, don't you think? PATTERNS!

The broken price-mechanism allegations have also been proven over and over again at the IRS international division, on tax recoveries. In fact, the IRS recently restated another seafood company's pollock books on an ATP issue. Their tens of millions of dollars of recovered funds, and disallowing hundreds of millions of dollars of more tax evasions also serves testament to us being correct, not you. Right?

And what about the allegations we dished out for the past decade or longer that Ted Stevens and Don Young and Ben Stevens would all come under federal indictment? Want to place your bets on that now? Probably not, because you are obviously one of the UFA and Bobby T's servants or a member of the processor crowd quislings. It is your guilt making you angry.

But just because you are pissed off that the Feds are taking down your Uncles Ted and Don and beloved Benito, is no reason for you to be such a coward. Reveal thyself or forever be known, hen. Or would that risk you going to jail, too?

Crabby enough for you now?
Stephen Taufen

PS: God Bless You. Pray for forgiveness.

new staufen | July 17, 2007 - 6:14pm

reply »

Thank you for the blessing

Geez Stephen,

On the one hand you say "we are not crying about the case outcome" and on the other hand this entire post is doing just that ... you are even attacking the US court and jury system and your own fellow Alaskans ("a bad jury not doing its job").

Be consistent. Get over it. You lost.

new kodiakkrab | July 18, 2007 - 8:43am

reply »

How much crab?

staufen, how much crab -- at fair market value -- is $700-800 worth? also, do you know why the ADN is not reporting on this?

For background, here's an excerpt from a story by Lisa Demer that ran in October of last year:

Don Young, in his 34th year as Alaska's lone U.S. representative, has amassed one of the richest campaign accounts in Congress ... Young, famous for his ANNUAL PIG ROAST fundraiser at a Veco executive's home and his CRAB FEED in Washington, D.C., has no trouble stacking up checks from Alaska to Arkansas.

I wonder who donated the PORK for the pig roast?

new alambernakis | July 16, 2007 - 2:26pm

reply »

FBI - Stevens-1103

Depends...

on type of crab, and we'd have to see the documents and shipping costs... But hey, even 30 years ago, brat Ted was ticked off if the crab or salmon box was sent to Mike Gravel's office, so Ted's staff would have to split it down there, get it from Gravel's team.

The real question now might be how much crab did Ted report as in-kind contributions recently and was that legal? OR is this one reason the Senate Ethics group just gave him another extension today for a late filing?

Hey, if we're talking real luau here, we love 'the other white

meat'. But doesn't the big PIG ROAST come in the courtroom soon? Or is that a prison term for an exercise room party?

Take care, alambernakis.

PS: just heard Ted did file today after all... anyone care to provide the link to the Senate record?

new staufen | July 17, 2007 - 6:25pm

reply »

Certainly a lot less...

Some years ago when I was young and hot on politics I set out to run for a municipal office. After looking at the disclosure rules and reporting regulations I figured I needed a lawyer to tell me what I actually had to do and what activities and assets needed to be disclosed.

When the tab on the meter hit $2,000 for an office that paid a couple of hundred I decided against making the run.

It seemed that one either has to be on a power trip or hell-bent on profiting in some other way to even bother picking up the paperwork to run for anything anymore.

new rfn | July 16, 2007 - 9:47am

reply »

It's a shame rfn that you chose not to run...

And sorry that you felt you needed an attorney to lead / guide you through the reporting requirements.

What's so scary about listing all of the sources of your income?

And what's so scary about reporting what you spent your campaign money on?

If you can't pass the muster of that level of public scrutiny, then you're right, you don't belong in a campaign for public office.

I've run a campaign (or two) for candidates, and (while I'm not a lawyer), never had a problem with the reporting requirements.

Why did you? Yes, it's complicated, but what's there to hide?

All you have to do is be honest and fortright. Then, the APOC forms are easy. It's only when you have somethining that you'd rather not report, that you get into trouble.

I'm sorry that you were intimidated by the requirements of the APOC forms - because I wish you would have had the strength of charachter to enter an application anyway. Based on your opinions here, I wish you would have run.

new KatRock_AK | July 16, 2007 - 2:44pm

reply »

When one lives in a small town

it's not "scary" to reveal the intimate details of what your savings/investments might be. It's just setting yourself up for a lot of aggreviation you don't need.

I'm not a lawyer; never wanted to be.

The APOC forms, to me, were subject to interpertation and I did not trust (non-lawyer that I am) I had it exactly right. Too much potential for doing something that seemed right but turned out to not be *exactly* right. Then have it used against you.

FBI - Stevens-1104

Any would-be candidate who is NOT a lawyer and starts signing stuff that is subject to misunderstanding, whether innocent or malignant, is a damn fool and deserves whatever happens down the line.

Now, I'm still trying to sell that bridge in California. If you'd like to see the buy-sell agreement ***without*** *taking it to a lawyer.....*

Also, in a small town where you may engage in buying and selling property, you don't want everybody to know your every asset. It has a way of running up prices.

I've talked with a few others who should have been obvious candidates at the local level. Same story. Too much exposure of personal matters that have no importance to any local ethical situation.

The reporting of how campaign funds were obtained/spent seemed easy enough to understand but, since I never gathered any funds and spent nothing (other than the lawyering), I had nothing to report. Especially since I decided to take a hike. But I even asked the lawyer if I had to file a report because I had "taken out" papers but chose not to submit 'em.

Of course that's just opinion but I know for a fact it has driven off more than a few people of high ethical standards who just don't want to deal with the politics of personal destruction.

Yes, I had run for public office in a place far, far away and won. I was younger and had neither savings nor investments. Also, had not been yet burned by failing to get a lawyer to read every legal document I was thinking to sign.

Oh, and that lawyer you might be thinking to use? Have him strip to be sure he's not wearing a wire!

Even paranoids sometimes have enemies. Especially in politics.

new rfn | July 16, 2007 - 3:11pm

reply »

Ohhhh for pity's sake rfn...

that's quite the coward's answer.

There are currently 59 people in the Alaska state legislature who were brave enough to fill out those forms...

and the negative repurcussions? Dang...only to those who got caught lying or selling.

Sooooo...into which category do you think you might fall?

new KatRock_AK | July 17, 2007 - 4:44pm

reply »

When you reveal the office you

currently hold...or those which you actually held I'll consider answering your pejorative question.

But only after I've examined all of the disclosure forms so I'll know what your total assets are, what stocks you own, and maybe enough more to give those folks in Nigeria enough information that they won't have to go "phishing" to run up your credit card bills. Your children's, too.

Oh? You don't hold and have never held any elective office? What are you trying to hide that's keeping YOU from abandoning your privacy?

Or is there just nothing of value to report? Gee, if that's so, why not run for the legislature next go-round?

new rfn | July 17, 2007 - 5:55pm

reply »

Why should...

...candidates for public office sacrifice their right to privacy?

We have a legalized system of bribery called campaign donations through political action committees and political parties. Yet, you're concerned over what property they own and who their clients are?

If you are serious about rooting out corruption then eliminate the influence of money from special interest groups and political parties. The only thing those disclosure requirements do is keep out people that don't want to bare their private affairs to the world. Those disclosures requirements sure have done a great job of keeping politicians honest didn't they?

FBI - Stevens-1105

Let's get serious about reforms

new Emperor | July 17, 2007 - 5:12pm

reply »

RFN:

Did I ever tell you I am the starting Quarterback for the Dallas Cowboys?

I have started every Monday morning game for the past 30 years.

new AK_Logic | July 16, 2007 - 3:24pm

reply »

I think that means

you're not only interested in that bridge, you have the means to pay for it!

Please post a mailing address so I can mail you the brochure.

new rfn | July 16, 2007 - 4:31pm

reply »

good one

I was starting to think you were a starting pitcher for the Seattle Mariners. Thank god I was wrong.

new Stags_Leap | July 16, 2007 - 3:48pm

reply »

Stags:

Now that is mean :)

new AK_Logic | July 16, 2007 - 4:12pm

reply »

interesting

two separate high-power law firms in D.C., with payments made to each in nearly identical timeframes.

It could lead one to speculate that DY is under investigation by two separate grand juries on separate issues. That's an awful lot of money prior to any indictments being handed out. Imagine what a full-blown trial would cost.

I also think it's a travesty of justice that a man can use his public campaign funds to pay for legal defense fees related to possible corruption charges. I would think DY's Office owes an explanation to the public on what the "legal services" for $260K and change involve.

new Stags_Leap | July 16, 2007 - 9:34am

reply »

The Doms Buddy Down In California Is Having Legal Woes Too

By Erica Werner
ASSOCIATED PRESS
8:48 a.m. July 16, 2007

FBI - Stevens-1106

WASHINGTON – California GOP Rep. John Doolittle's fundraising has slowed and he lags his likely Democratic opponent in money as the congressman's legal woes mount in a congressional influence-peddling scandal.
The nine-term conservative from Rocklin reported raising $100,183 from April 1 through June 30, according to his quarterly Federal Election Commission report, filed Sunday. The three-month period encompassed an FBI raid on his home in early April in the Jack Abramoff lobbying scandal.

new twentythreeskidoo | July 16, 2007 - 1:13pm

reply »

is this a 'doo nugget'?

Perhaps a trademark thingy should start happening? doo nugget looks and sounds better than a nose nugget...

new akgen | July 16, 2007 - 1:37pm

reply »

nosenugget, doonugget

it's all the same.

new twentythreeskidoo | July 16, 2007 - 2:31pm

reply »

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FBI - Stevens-1107



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Candidate Harris

Posted: July 16, 2007 - 10:39 am

In **R.A. Dillon's column** for the News-Miner this weekend, he quotes Rep. John Harris as a potential candidate for U.S. House or Senate.

Harris told Dillon he doesn't plan to challenge Stevens or Young, but would run if one of them got indicted.

add new comment

Harris should stay where he is at

John has too many issues/secrets that would come to light if he ran on the national stage. What you can get away with in Ak would be exposed in the national press. The under handed action during the John Devens campaign in support of Don Young, the weird business that went on between Alyeska and Harris Sand and Gravel in 89-90. Why didn't Alyeska file theft charges on all that missing building materials purchased from Harris Sand and Gravel? Why did the Harris family buy him out of the business after that? Is that how and why the oil industry got a death grip on Harris? Harris Sand and Gravel got away with some bad work for DOT on highway project after John was elected. Many questions that were never answered.

new lim2 | July 20, 2007 - 10:27am

reply »

Oh Great, Just What Alaska Needs....

...another guy who "doesn't get it" when it comes to duty and ethics, running for higher office.

John Harris has presided over the most corrupt house organization in Alaska's brief history. Remember Rep Berkowitz's now-famous call for the "...the House to remain the People's House..."?

Remember who he was talking to? John Harris. John Harris famously ignored Berkowitz and allowed the House to become Bill Allen's little dukedome.

John Harris should be spending his waking days begging for our forgiveness, not contemplating higher office.

A pox on him!!!

new metanoia2k | July 17, 2007 - 9:27am

reply »

I seem to recall

that Ethan Berkowitz organized WITH Pete Kott,

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Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.



Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

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(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

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FBI - Stevens-1108

194-AN-13620-M;496

Tom Anderson, and Lesil McGuire to overthrow Harris. Aren't ya glad that didn't work out? You are way off accusing Harris of being corrupt and calling Berkowitz a saint. Just so happens that Kott/Berkowitz and that little coup attempt were totally backed by who else: Bill Allen.

new acom | July 19, 2007 - 9:46pm

reply »

Right on the mark acom!!!!!!!!!!!!!!!!!

I still remember the picture of ethan and kott with arms around each other's shoulders, smiling like the cat who just swallowed the canary. I will see if I can find it anywhere so people can look at it. Anyone got any ideas where that could be found?

new truthseeker | July 20, 2007 - 10:04am

reply »

Small spenders - 7/16/2007 8:32 pm

Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm

Candidate Harris - 7/16/2007 10:39 am

Lots of lawyering - 7/16/2007 10:01 am

Replacing Kohring - 7/14/2007 2:28 pm

Should dogs be banned from ballfields? - 7/13/2007 12:22 pm

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'Discretion and tact are essential' - 7/12/2007 4:38 pm

full archive »

new simplesimon23 | July 16, 2007 - 5:48pm

reply »

Someone with spine

is what we need in the House or Senate.

If you didn't catch the Bill Moyers Journal this weekend - catch it on video at: http://www.pbs.org/moyers/journal/07132007/profile.html

new simplesimon23 | July 16, 2007 - 5:47pm

reply »

John Harris

certainly does not meet the description of someone with spine.

new theodosius30 | July 17, 2007 - 5:06am

reply »

Not everyone on this blog will tell you..

Complacency is bad.

Complacency is the best way to not be a 'target' with the union or CBC until, well the time the Federalis come and raid yer office.

'Do nothing policy' can become a crime or at least get your pension yanked,now.

Nothing about plea bargains, it's a choice of cooperate with the fed or not. Usually the fed is nicer on sentence if the perp cooperated.

Same violation, new penalties.

It would be interesting to see who voted against that revocation clause especially Harris.

FBI - Stevens-1109

new edgefinder | July 16, 2007 - 8:15pm

reply »

John Harris is a definite,

John Harris is a definite, front running suckup to the oil industry.

Always has been, and he always WILL be.

new leowassilie | July 16, 2007 - 10:09am

reply »

Not what we need

If state Republicans want to continue with business as usual with all of their good ol' boys, Harris is definitely the man. I would hope the rest of us regular folk know better than to consider him.

new iHEARTmea | July 16, 2007 - 9:59am

reply »

Humpty Dumbty

has a better chance of being a senator or congressman than John Harris.

new theodosius30 | July 16, 2007 - 11:00am

reply »

In Case of Indictments?

When I suggested that the Republicans need to look for federal replacements as hard as the democrats Harris was not in mind at all.

Now I know more about it.

Who knows if Harris won't or shouldn't be under indictment at this point. PPT HAD A LOT OF MONEY THROWN IN.

Like the other bloggers have suggested,
campaign Donors need to know what they're getting before hand.

That's the key to corruption.

new edgefinder | July 16, 2007 - 5:46pm

reply »

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FBI - Stevens-1110



(UPDATED) AP on Stevens

Posted: July 17, 2007 - 6:27 pm

UPDATE: **Click here** for the financial disclosure document Stevens filed (it's 18 pages).

After 2-month delay, Stevens releases report on personal finances

By JEANNETTE J. LEE
Associated Press Writer

ANCHORAGE, Alaska (AP) -- Sen. Ted Stevens filed the annual report on his personal finances with the Senate Ethics Committee on Tuesday after receiving a two-month extension to fix what he called a few simple technical errors.

The delay was not unusual for members of Congress, but with his son under investigation by the FBI for corruption, Stevens said he wanted to make sure his report, detailing income, assets and gifts from 2006, was unassailable.

"The delay happened, really, because I asked for it, because of the circumstances right now," Stevens said Tuesday. The 83-year-old senator said nothing in the mandatory disclosure report has anything to do with the investigation.

FBI raids on the offices of several Alaska lawmakers last year included his son, former Alaska Senate President Ben Stevens.

The FBI has asked the elder Stevens, who is the longest-serving Republican in Senate history, to retain his records. The agency is looking into the remodeling of the senator's Girdwood home in 2000 in connection with the investigation, which is ongoing.

Neither the senator nor his son have been charged.

Most members of Congress submitted their financial disclosure reports in mid-May. Stevens said the filing delay was due to questions by the Senate Ethics Committee over his wife's 401K, as well as a few small mistakes.

"I put an X on front page in the wrong box," Stevens said.

A copy of the report provided by Stevens' office to The Associated Press shows his assets are worth between $1 million and to $2.1 million, with about half in a blind trust. Individual assets include oil well interests in Oklahoma worth $50,001 to $100,000 and rental housing in Wickenburg, Ariz., in the same range. Local holdings include commercial property and a share in Sack's Restaurant, a downtown eatery. Each is worth between $15,001 and $50,000.

"People write all these stories about senators being rich.

Alaska Politics

State, local and beyond

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www.hiddencreekbb.com

194 - AN - 13620-M; 497

This one isn't," Stevens said.

The senator's disclosure report also included a retroactive list of gifts he received from the Kenai River Sportfishing Association. The group works to protect salmon runs on the Kenai River and was founded by Stevens' friend and business partner Bob Penney.

Penney and Stevens were part of a group of 10 prominent Alaskans who owned a racehorse together under a company called Alaska's Great Eagle, which is also listed on the senator's disclosure form. Penney testified in June before a federal grand jury in Anchorage that has gathered information in the corruption cases.

Stevens hosts the fishing association's annual fundraiser and, according to the report, received guns priced from $850 to $1,800 over the course of five years starting in 2002. They included a $1,400 Smith & Wesson and an $1,800 Beretta 470 Silver Eagle.

The firearms were awarded in recognition of public service, exempting them from a Senate rule that prohibits mosts gifts worth more than $49.99.

Small spenders - 7/16/2007 8:32 pm

Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm

Candidate Harris - 7/16/2007 10:39 am

Lots of lawyering - 7/16/2007 10:01 am

Replacing Kohring - 7/14/2007 2:28 pm

Should dogs be banned from ballfields? - 7/13/2007 12:22 pm

No free wi-fi? - 7/13/2007 12:17 pm

Lobbying - 7/13/2007 12:16 pm

'Discretion and tact are essential' - 7/12/2007 4:38 pm

full archive »

The senator commented briefly on the remodeling of his home in the sleepy ski resort town of Girdwood that doubled the size of the house, a four-bedroom structure that is Stevens' official residence in Alaska.

A contractor who did work on the house has said he was directed to send bills to the oil-field services company, VECO, headed by Stevens' friend Bill Allen, who has been indicted on political bribery charges. Someone at the company would examine them for accuracy before sending them to Stevens.

"I will tell you we paid every bill that was given to us with our own money," Stevens said, referring to himself and his wife. "She works and I work. That was our own money."

Stevens said he could not answer questions in detail because of the FBI investigation.

"If I do, I'm liable to be accused of obstruction of justice," he said.

Stevens said attorney Bill Canfield assisted in vetting his financial disclosures. Canfield was Stevens' chief of staff when the senator headed the Senate Ethics Committee.

add new comment

"People write all these

"People write all these stories about senators being rich. This one isn't," Stevens said.

Is that like what Ben said about his multi million option at ADAK?

"I'm not getting rich off it."

Ask any GG employee and 2.1m is rich.

And I bet a current appraisal in Wik is more $ for the house. Things have boomed around there.

new edgefinder | July 18, 2007 - 5:34pm

reply »

Ask the crab fishermen

Ask any of the 1000 crab fishermen the Stevens father-son team put out of work if 2.1 million is rich.

new ikelley | July 18, 2007 - 10:34pm

reply »

Nailed it through the hands

Right on man - just like trying to prove your innocence in the murder of a Martian. How many other aliens have you killed, Mr. Senator? Is this the reason you never visit Roswell? Innocent if he drowns, stone him if he floats.

new nerka86 | July 18, 2007 - 12:50pm

reply »

FBI - Stevens-1112

What about the bills that weren't sent to you?

Senator Stevens concerning the VECO-linked remodeling job: "I will tell you we paid every bill that was given to us". No one is questioning that fact. The question is how many bills were not sent to the Stevens? And who paid those bills?

new tkelley | July 18, 2007 - 6:51am

reply »

Nailed It

You've nailed it, tkelley. Since when were we concerned whether Stevens paid all the bills that were sent to him? The question is whether others paid for goods and services delivered to Stevens.

It's sort of like being accused of murder and saying "I haven't killed anyone with a pitchfork."

new chilcoot | July 18, 2007 - 9:57am

reply »

Maybe you meant...

Unsaid quote: "I'm not rich if you count only my assets in the USA that the IRS can find! By jove, those London trips to handle my Jersey Isle accounts are so nice when I fly on a private corporate jet for free." - Ted.

The German 5th: "I know nutthing!, Colonel Hogan!" - Sgt. Schultz

new staufon | July 18, 2007 - 9:06pm

reply »

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Real Cities Network

FBI - Stevens-1113

UNITED STATES SENATE FINANCIAL DISCLOSURE REPORT
FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office if Member or Work Employed
STEVENS	THEODORE (TED) F.	Calendar Year Covered by Report: 2006	
Senate Office Address (Number, Street, City, State, and ZIP Code)	Senate Office Telephone Number (include Area Code)	Termination Report	Prior Official Agency or Work Employed
SENATE HART 522 WASHINGTON DC 20510	(202)224-3004	Termination Date (mm/dd/yy):	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

	YES	NO		YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If Yes, Complete and Attach PART I.		X	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $305 from one source)? If Yes, Complete and Attach PART VI.		X
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If Yes, Complete and Attach PART II.	X		Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If Yes, Complete and Attach PART VII		X
Did you, your spouse, or dependent child hold any reportable asset worth more than $1,000 at the end of the period, or receive unearned or investment income of more than $200 in the reporting period? If Yes, Complete & Attach PART IIIA and/or IIIB.	X		Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, Complete and Attach PART VIII	X	
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If Yes, Complete and Attach PART IV.	X		Do you have any reportable agreement or arrangement with an outside entity? If Yes, Complete and Attach PART IX.		X
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $305 and not otherwise exempt)? If Yes, Complete and Attach PART V.	X		If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If Yes, Complete and Attach PART X		

Each question must be answered and the appropriate PART attached for each "YES" response.

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

FOR OFFICIAL USE ONLY
Do Not Write Below this Line

07 JUL 17 PM 2:26

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Ted Stevens	7/17/07

For Official Use Only - Do Not Write Below This Line

	Signature of Reviewing Official	Date (Month, Day, Year)
It is the Opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act		

Reporting Individual's Name	PART II. EARNED AND NON-INVESTMENT INCOME	Page Number
Theodore (Tad) F. Stevens		2

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse. (See p.3. CONTENTS OF REPORTS Part B of Instructions.) Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and /or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	*JP Computers*	*Wash., DC Example*	*Salary Example*	*$15,000*
	MCI (Spouse)	*Arlington, VA Example*	*Salary Example*	*Over $1,000*
1	(S) Mayer, Brown, Rowe & Maw, LLP	Washington, DC	Salary	over $1,000
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

JUL-17-2002 21:48 MCGLINCHEY DC P.03/13

Reporting Individual's Name	PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES	Page Number
Theodore (Ted) F. Stevens		3

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period
If None, or less than $1,001, Check the first column

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Asset	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C — Type of Income: Dividends	Rent	Interest	Capital Gains	Exempted Investment Fund	Exempted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required If "Other" Specified
S, Example: DC, or J	*IBM Corp. (stock)*				X									X							Example		X										*Example*
	(S) *Keystone Fund*					X										X		X			Example	X											*Example*
1	(S) Credit Suisse Securities, LLC San Francisco, CA (Money Market)				X									X											X								
2	(J) United States Senate Federal Credit Union Washington, DC					X										X									X								
3	(J) Wells Fargo (Checking Account) Anchorage, AK		X													X						X											
4	(S) Bank of America (Checking Account) Washington, DC	X														X						X											
5	(S) Wells Fargo (Checking Account) Wickenburg, AZ (1/3 interest)		X													X						X											
6																																	
7																																	
8																																	
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)* If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 4

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period
If None, or less than $1,001, Check the first column

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A: Identity of Publicly Traded Assets And Unearned Income Sources	Block B: Valuation of Assets — None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income — Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income — None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
S, Example; DC, or J	*IBM Corp. (stock)*				X									X							Example		X									Example	
	(S) *Keystone Fund*					X										X		X			Example	X											Example
1	IRA w/Fidelity Investments as Custodian Consisting of the following:																																
2	Fidelity Cash Reserves	X												X											X								
3	Fidelity International Small Cap Opportunity Fund					X								X								X											
4																																	
5																																	
6																																	
7																																	
8																																	
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

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JUL-17-2007 21:49 MCCLATCHYDC

Reporting Individual's Name	PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES	Page Number
Theodore (Ted) F. Stevens		5

BLOCK A — Identify of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
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BLOCK B — Valuation of Assets

At the close of reporting period.
If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual

	BLOCK A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
S, Exempt DC, or J	*IBM Corp. (stock)*				X									X							Exempt		X										Exempt
(S)	*Keystone Fund*					X										X		X			Exempt	X											Exempt
1	(S) CITIGROUP SMITHBARNEY IRA Consisting of the following funds:																																
2	(S) CGCM Large Cap Value Eq Investments		X															X						X									
3	(S) CGCM Large Cap Growth Investments			X														X				X											
4	(S) CGCM Small Cap Value Investments		X															X					X										
5	(S) CGCM Small Cap Growth Investments		X															X				X											
6	(S) CGCM International Equity Investments		X															X					X										
7	(S) CGCM Emerging Mkts Equ Investments		X															X						X									
8	(S) CGCM Govt Money Investments		X															X				X											
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*. If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate

JUL-17-2003 21:58 MCCLATCHYDC P.05/149

Reporting Individual's Name	PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES	Page Number
Theodore (Ted) F. Stevens		6

BLOCK A — Identify of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period
If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual

	Block A	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income — Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income — None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required If "Other" Specified
S, Example: DC, or J	*IBM Corp. (stock)*				X									X							*Example*		X									*Example*	
	(S) Keystone Fund					X										X		X			*Example*	X											*Example*
1	(S) MAYER, BROWN, ROWE & MAW 401(k) plan administered by:																																
2	BOK Financial Services and consists of the following funds:																																
3	(S) DWS Equity 500 Index Fund (Formerly Scudder Equ 500 Index Fund)			X														X							X								
4	(S) TCW Select Equities Fund 1 (Formerly TCW Galileo Select Equ Fund)			X														X				X											
5	(S) Jennison Small Company Z			X														X					X										
6	(S) STI Classic Sm Cap Growth Stock Fund	X																X					X										
7	(S) Fidelity Adv. Diversified Intl Fund			X														X							X								
8																																	
9																																	
10																																	

EXEMPTION TEST *(see instructions before making box)* If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate

JUL-17-2007 21:50 MCCLATCHYDC P.007/ 1 .

Reporting Individual's Name: Theodore (Ted) I Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 7

BLOCK A
Identify of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B
Valuation of Assets

At the close of reporting period
If None, or less than $1,001, Check the first column

BLOCK C
Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

| | | Block B: None (or less than $1,001) | $1,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $250,000 | $250,001 - $500,000 | $500,001 - $1,000,000 | Over $1,000,000** | $1,000,001 - $5,000,000 | $5,000,001 - $25,000,000 | $25,000,001 - $50,000,000 | Over $50,000,000 | Block C: Type of Income: Dividends | Rent | Interest | Capital Gains | Excepted Investment Fund | Excepted Trust | Qualified Blind Trust | Other (Specify Type) | Amount of Income: None (or less than $201) | $201 - $1,000 | $1,001 - $2,500 | $2,501 - $5,000 | $5,001 - $15,000 | $15,001 - $50,000 | $50,001 - $100,000 | $100,001 - $1,000,000 | Over $1,000,000** | $1,000,001 - $5,000,000 | Over $5,000,000 | Actual Amount Required if "Other" Specified |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| S, Example: DC, or J | *JP Computer, Wash DC* | | | | X | | | | | | | | | X | | | | | | | Example | | X | | | | | | | | | Example |
| | *Undeveloped land, Dubuque, Iowa* | | | | | X | | | | | | | | | | | | | | | Example | X | | | | | | | | | | Example |
| 1 | (S) National Life (Life Insurance) Montpelier, VT | | X | | | | | | | | | | | | | X | | | | | | | X | | | | | | | | | |
| 2 | (S) State of Alaska Permanent Fund Dividend | | | | | | | | | | | | | X | | | | | | | | | | X | | | | | | | | |
| 3 | State of Alaska Permanent Fund Dividend | | | | | | | | | | | | | X | | | | | | | | | | X | | | | | | | | |
| 4 | Alaska's Great Eagle As Well, LLC Girdwood, AK | | X | | | | | | | | | | | | | | | | | | LLC | | | | | | | | | | | (6424) |
| 5 | Alaska's Great Eagle, LLC Girdwood, AK | | X | | | | | | | | | | | | | | | | | | LLC | | | | | | | | | | | (4264) |
| 6 | Theodore F. Stevens Blind Trust Anchorage, AK | | | | | | | X | | | | | | | | | | | | X | | | | | | | | X | | | | |
| 7 | Oil Interests (individual wells) Oklahoma City, OK | | | | X | | | | | | | | | | | | | | | | wrkg intrst | | | | | | | | | | | 9048 |
| 8 | Sacks Restaurant, LLC Anchorage, AK | | X | | | | | | | | | | | | | | | | | | LLC | | | | | | | | | | | 157 |
| 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

EXEMPTION TEST *(see instructions before marking box)* If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

JL-17-2007 21:51 ATCHYDC

Theodore (Ted) F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 8

BLOCK A
Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B
Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column, ↓

BLOCK C
Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued in the benefit of the individual.

	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
S, Example: DC, or J	*JP Computer, Wash DC*				X									X							Example		X										Example
	Undeveloped land, Dillingham, Iowa					X															Example	X											Example
1	(S) CHAMER COMPANY INC: Anchorage, AK (Family Investment Co.)																																
2	(S) Investment in Rental House Wickenburg, AZ				X																	X											
3	(S) Interest in Commercial Property Anchorage, AK			X																		X											
4	(S) Interest in Bank Account- Wells Fargo Anchorage, AK			X																		X											
5																																	
6																																	
7																																	
8																																	
9																																	
10																																	

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

MR_STCHYDC
JUL-17-2007 21:51

Report Name
Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Page Number
9

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x)			Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)										
		Purchase	Sale	Exchange		$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	ISM Corp. (stock) NYSE	X			2/1/0X		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1	Alaska's Great Eagle, LLC (Capital Call)				6/6/06	X										
2	Alaska's Great Eagle, LLC (Capital Call)				11/28/06	X										
3	Alaska's Great Eagle As Well, LLC (Capital Call)				5/18/06	X										
4	IRA with Fidelity Investments as custodian: Fidelity International Small Cap Opp Fund	X			10/9/06				X							
5	Stockmen's Bank (Now National Bank of Arizona) (checking account) Wickenburg, AZ (Gifted to Family)				5/15/06	X										
6	TFStevens Bedbug Outfit - undivided 1/2 interest in Livestock Congress, AZ (Gifted to Family)				05/15/06	X										
7																
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12																

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FILL—17-2007 21:52 MATCHYDC

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Page Number: 10

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x)			Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)										
		Purchase	Sale	Exchange		$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	*IBM Corp. (stock) NYSE*	X			2/1/0X		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1	(S) CITIGROUP SMITHBARNEY- IRA Consisting of the following funds:															
2	(S) CGCM- Large Cap Value Equity	X			1/30/06	X										
3	(S) CGCM- Small Cap Value Equity		X		1/30/06	X										
4	(S) CGCM- Emerging Markets Equity		X		1/30/06	X										
5	(S) CGCM- International Equity	X			1/30/06	X										
6	(S) CGCM- Large Cap Growth Equity	X			1/30/06	X										
7	(S) CGCM- Small Cap Growth Equity		X		1/30/06	X										
8	(S) CGCM- International Equity		X		8/22/06	X										
9	(S) CGCM- Large Cap Growth Equity	X			8/22/06	X										
10	(S) CGCM- Large Cap Value Equity	X			12/15/06	X										
11																
12																

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

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FL-11-19
LATCHYDC
JUL-17-2007 21:52

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Page Number: 11

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x)			Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)											
		Purchase	Sale	Exchange		$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	
S, Example: DC, or J	*IBM Corp. (stock) NYSE*	X			2/1/0X		X			E	X	A	M	P	L	E	
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E	
1	(S) MAYER, BROWN, ROWE & MAW- 401(K) plan administered by BOK Financial Services. Consisting of the following funds:																
2	(S) DWS Equity 500 Index Fund	X			1/1/06	X											
3	(S) TCW Select Equities Fund 1	X			1/1/06	X											
4	(S) STI Classic Sm Cap Growth Stock T Fund	X			1/1/06	X											
5	(S) Fidelity Adv. Diversified Int'l Fund	X			1/1/06	X											
6	(S) DWS Equity 500 Index Fund	X			4/1/06	X											
7	(S) TCW Select Equities Fund 1	X			4/1/06	X											
8	(S) STI Classic Sm Cap Growth Stock T Fund	X			4/1/06	X											
9	(S) Fidelity Adv. Diversified Int'l Fund	X			4/1/06	X											
10	(S) STI Classic Sm Cap Growth Stock T Fund exchanged for Jennison Small Company Z			X	10/1/06		X										
11	(S) DWS Equity 500 Index Fund		X		11/22/06	X											
12	(S) TCW Select Equities Fund 1		X		11/22/06	X											

EXEMPTION TEST *(see instructions before marking box)* If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

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JUL-17-2007 21:53 FROM:LATCHYDC

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Page Number: 12

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x)			Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)										
		Purchase	Sale	Exchange		$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	IBM Corp. (stock) NYSE	X			2/1/0X		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1	(S) MAYER, BROWN, ROWE & MAW- 401(k) plan administered by BOK Financial Services. Consisting of the following funds:															
2	(S) Jennison Small Company Z		X		11/22/06	X										
3	(S) Fidelity Adv. Diversified Int'l Fund		X		11/22/06	X										
4																
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EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

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F, 12/14

FLATCHYDC

JUL-17-2007 21:53

Reporting Individual's Name	PART V. GIFTS	Page Number
Theodore (Ted) L. Stevens		13

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2005, Smith & Wesson; Engraved for public service	$1,400
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Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

FILE-17-2007 21:53 NCLATCHYDC

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address (City, State)	Type of Organization	Position Held	From (Mo/Yr)	To (Mo/Yr)
Example:	*National Assn. of Rock Collectors*	*NY,NY* EXAMPLE	*Non-profit education*	*President*	*6/90*	*Present*
Example:	*Jones & Smith*	*Hometown, USA* EXAMPLE	*Law Firm*	*Partner*	*7/85*	*11/0X*
1	Dwight D. Eisenhower Memorial Commission	Washington, DC	Presidential Appointment	Member of the Board	4/01	Present
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Compensation in excess of $200 from any position must be reported in Part II.

P.15/17
SLATCHYDC
JUL-17-2007 21:54

Name of Reporting Individual: Theodore (Ted) F. Stevens

PART V. GIFTS

Page Number: Amended 2007

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

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	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	Mr. John Q. Smith	Anytown, VA Example	August 12, 200X, Silver platter - Ethics Committee waiver granted	$400
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2002, Marlin Guide; Engraved for Public Service	$650
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Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Ted Stevens

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JUL-17-2007 21:54 MCCLATCHYDC

FBI - Stevens-1128

Theodore (Ted) F. Stevens

PART V. GIFTS

2003

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices (including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2003, Winchester Model 70 Super Grade; Engraved for Public Service	$1,400
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Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

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07 JUL 17 PM 2:26
SENATE PUBLIC RECORDS
JUL-17-2007 21:55 MCLATCHYDC

Reporting Individual's Name	PART V. GIFTS	Page Number
THEODORE (TED) F. STEVENS		

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2004, Senator's 4th Silver Eagle Solo by Sitka Engraved and accepted in recognition for public service	$1,800
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Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Ted Stevens 7/17/07

07 JUL 17 PM 2:28

JUL-17-2007 21:55 CLATCHYDC

FBI - Stevens-1130

Reporting Individual's Name	PART V. GIFTS	Page Number
THEODORE (TED) F STEVENS		2006 Annual

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

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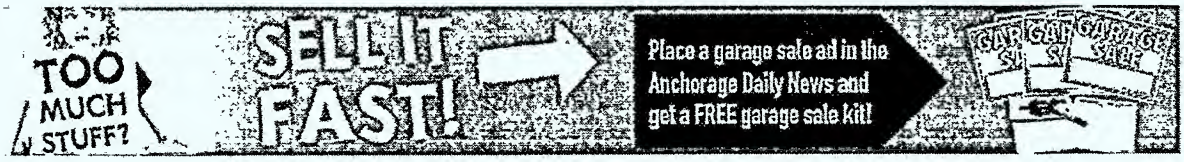
	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	Mr. John Q. Smith	Anytown, VA Example	August 12, 200X, Silver platter - Ethics Committee waiver granted	$400
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2005, Ruger Alaskan Revolver; Engraved and accepted in recognition for public service	$800
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Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Ted Stevens 7/17/07

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07 JUL 17 PM 2:29
SENATE PUBLIC RECORDS

JUL-17-2007 21:56 CLATCHYDC



Roll Call on Young

Posted: July 18, 2007 - 10:59 am

Roll Call has a story today on Don Young campaign contributions, reporting that:

(Young) has acknowledged taking more than $5,500 in illegal campaign contributions from a seafood trade association since 2001, but has informed federal officials he will only pay back a portion of those funds because some of the violations fall outside the statute of limitations for campaign finance violations.

At issue appears to be a bunch of crab or seafood that the Pacific Seafood Processors Association has been donating to Young fund-raisers in D.C. over the past few years, Roll Call reports.

The problem is, trade associations aren't allowed to make political donations to Congressmen, according to the paper.

add new comment

Lisa Murkowski

Kyle, when are we going to get a thread on her deal with Penney.
The deal is getting national attention.

new theodosius30 | July 20, 2007 - 3:59am

reply »

Ntl Press

The only national ink this story has gotten has been on the TPM website.

Actually, it's getting kind of echo-ee in here.

TPM reports it, then the ADN reports it, then TPM reports that the ADN reported it.

To be fair, KTUU has picked up as did the Juneau Empire.

Beyond that, no other media outlets have reported this story. (that show up on google.news anyways...)

This is a non-story, really. When it's all said and done there's nothing there, unless the assessor was playing games with those numbers.

The dirt path to Murky's door will involve Cornell and VECO, but it will go through the Campaign Treasurer of her 04 Senate run.
That's the story.

Kyle -

Here's a nuggie for ya, Benino Filai is in up to his

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.



Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

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Why Pay 6% ? Direct Access to Alaska MLS.
www.congressrealty.com

Moving to Anchorage?
Browse current listings of homes in the Anchorage area.
www.greatalaska.net/hous

India BnB & Yoga Retreat
Affordable Anchorage Lodging. Fresh Indian & American breakfast
www.indiainalaska.com

Alaska Hard Money Loans
Commercial Mortgage Loans Compared Hard Money Lenders Reviewed - AK
www.BusinessInfotoday.c

FBI - Stevens-1132

194-AN-13620-M;498

earballs in the Abramoff muck and is now a cooperating witness for the Feds.

BTW, Don Young is a very good friend of Mr. Filal and was instrumental in carrying out Delay's policies (which were Abramoff's policies) in the CNMI.

new twentythreeskidoo | July 20, 2007 - 5:38am

reply »

Small spenders - 7/16/2007 8:32 pm

Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm

Candidate Harris - 7/16/2007 10:39 am

Lots of lawyering - 7/16/2007 10:01 am

Replacing Kohring - 7/14/2007 2:28 pm

Should dogs be banned from ballfields? - 7/13/2007 12:22 pm

No free wi-fi? - 7/13/2007 12:17 pm

Lobbying - 7/13/2007 12:16 pm

'Discretion and tact are essential' - 7/12/2007 4:38 pm

full archive »

Murky indeed

What caused the governor to change his strongly stated opposition to privatized prisons? He hasn't explained his shift yet. But in May 2003, a prominent Anchorage architect named Mark Pfeffer met with his aides to promote the Veco-Cornell prison project. Pfeffer had recently joined the prison consortium, and he had also signed on as treasurer for Lisa Murkowski's reelection campaign. Around that time, her father began to back away from his pledge to oppose private prisons, issuing a vague announcement that his administration would take a "fresh look" at the Veco-Cornell prison plan.

new BravoSierra | July 20, 2007 - 6:19am

reply »

Murkiness

Here is the link to the story that Salon.com ran in 2004.

new twentythreeskidoo | July 20, 2007 - 6:33am

reply »

The Muckraker Express

Here is an interesting comment posted on the Muckraker Express website regarding Don Young and the appropriation for Native Alaska education.

"So if education monies were the target of being struck specifically from African American education efforts for Black History Month (February) by "conservative" Republicans, how long would it take for Jesse Jackson and Al Sharpton and other "progressives" to howl at the moon over such actions?

What labels would be attached to the good representatives from New Jersey?

It would be a national racist story of epic proportions, but since it is going for Native Alaskan and Native Hawaiian education efforts, it seems to be OK to racially profile them as a group for funding cuts.

Spare me on how progressive your thinking is on this subject."

new nerka86 | July 19, 2007 - 12:54pm

reply »

The Dom

Is just cranky because he has to give some of his marbles to his lawyers.

It hasn't dawned on him yet that his backroom deals of the past are becoming ever more of a liability.

FBI - Stevens-1133

This is a non-story save for his childish outburst, which seem to be happening more frequently of late.

My question is, exactly what programs does this money help fund ?

Does anybody know the answer to that ?

new twentythreeskidoo | July 19, 2007 - 1:18pm

reply »

Alaska Native Education Equity

PROGRAM DESCRIPTION

The overall purpose is to meet the unique education needs of Alaska Natives and to support supplemental education programs to benefit Alaska Natives.

TYPES OF PROJECTS

Allowable activities include, but are not limited to, the development of curricula and education programs that address the education needs of Alaska Native students, and the development and operation of student enrichment programs in science and mathematics. Eligible activities also include professional development for educators, activities carried out through Even Start (# 84.213) programs and Head Start programs, family literacy services, and dropout prevention programs.

US Department of Education

new Emperor | July 19, 2007 - 2:00pm

reply »

thanks emperor

KTUU reported tonight that Cook Inlet Tribal Council is one recipient of some of this money.

new twentythreeskidoo | July 19, 2007 - 6:46pm

reply »

Everyone?

So now the ENTIRE Alaskan delegation to DC is under investigation?!?

new quixoticneophyte | July 19, 2007 - 11:28am

reply »

Corruption in Alaska Wouldn't Be Complete Without Some

Teamster Muscle

> In addition, Young's current district director in Alaska recently lobbied for an energy conglomerate whose chief executive pleaded guilty in May to bribing several state lawmakers. Young and Sen. Ted Stevens (R-Alaska), who has hired his own team of lawyers to deal with that probe, were the top recipients of donations from the executive and that company.

new twentythreeskidoo | July 18, 2007 - 9:41pm

reply »

From TPMmuckraker.com - by Mike D.

Don Young and my late father were friends in the Army around 1956-57. My family lived in Los Angeles, and when Young passed thru town once in the mid-70s, when I was about 14 or 15, my dad and I met him at the airport before his flight home. He was carrying a briefcase with a bumpersticker on it that said, "Don Young / Congressman for all Alaska." I also remember that my dad told me that Young's nickname in the Army was "Rabbit," due to his buck teeth.

There's one other thing from that meeting that I remember, although I could certainly understand if people are skeptical of my recollection, which I suppose would be impossible to verify. But I swear I remember Young and my dad discussed the time when Young was in the Army and had gotten drunk and crashed an Army jeep, leaving Young's passenger paralyzed. They wondered what had happened to the passenger, and neither of them knew.

That's my story, believe it or not. Young wouldn't be the first Republican criminal to escape justice, and his actions wouldn't seem out of character for someone who has apparently threatened to eat New Jersey schoolchildren.

FBI - Stevens-1134

Posted by: Mike D.
Date: July 19, 2007 1:39 AM
==========

This reminds Alaskans of Ben Stevens' DUI that got him 4 yrs of probation, then the judge slapped another 2 on him... so Ben could not run for office until that was done - at age 39. Tony Knowles does Ted a favor, appoints spoiled brat-bully Ben to state Senate, and thus began the cycle of special privilege arrogant corruption. And in Adak case later, Solberg claims Ben and Ted stayed up till 4 am drinking like real men, then got right back up at 8 am - as if they were tough. Was he really saying Ben and Ted DID talk about the fish deals? FBI ought to be all over that hot evidence like salsa on chips.

This also reminds us of the joke, Why do the states each have two Senators? So one can be the designated driver! That is if the Anchorage PD doesn't catch her in the back seat of a car making it a snowmobile and get let off because daddy was a drinking Senator too.

That's right, we have no respect for you political pond scum any longer.

new staufen | July 18, 2007 - 8:46pm

reply »

Mike D

Is Mike D Representative Doogan from Anchorage? Wow, what a story.

new theodosius30 | July 20, 2007 - 5:09am

reply »

Why the ADN frustrates me.

I posted this exact information on this blog 2 days ago, under your "Lots of Lawyering" post and asked why the ADN was not reporting on it. So now, 2 days later and after another media outlet has reported the story, the ADN posts the information on its blog, and doesn't bother to write a story about it.

What is wrong with this newspaper??? Alaska's only Congressman admits to taking illegal contributions from the seafood industry over a period of years, and is only willing to pay back money for crimes occuring within the statute of limitations -- folks this is NEWS.

Seems like this warrants a question or two by the ADN, a newspaper that claims to serve all of Alaska. For example, how much crab does Young claim is $700-800 worth (the amount he says he got from the seafood processors)? Since he admits the contributions were illegal, why isn't Young willing to pay all of them back? Isn't one's Congressman supposed to be a role model for Alaskans? It's bad enough that Young goes around talking about biting other Representatives like a mink, without him acting like a criminal defendant who is only willing to make restitution to some, but not all, of his victims.

The ADN just is NOT doing its job. It's very disappointing.

new alambernakis | July 18, 2007 - 8:46pm

reply »

I have to agree with alambernakis

Just this morning when I saw the headline on the ADN about Lisa's property, I thought how "old" this news was. People have been talking about that for 3 days at least - and ADN just now does a story.

On another note about the video of Young threatening New Jersey that is floating around on the interet - I really think Young and Stevens are responsible for people hating Alaskans and our great state. All you have to do is read the comments being posted on TPMMuckracker and other blogs.

The balance of costs and benefits of keeping Young and Stevens in office is dipping into the 'cost' side of things now.

new simplesimon23 | July 19, 2007 - 4:29am

reply »

Deja Vu! it's true

well, what do you expect from the same newspaper that has yet to run a front page apology to Ray Metcalfe? There are some very good reporters at ADN, but something remains truly psychotic at the top. That's why it takes national news venues to convince some of the writers to beg their editor/publisher to run something... and Kyle probably has to run it under the blog, because to run it as real NEWS would just tear the heart valves out of the publishers psychoses.

FBI - Stevens-1135

It was crab and salmon, and worth a helluva lot more than disclosed... and we all know it. And Don Young pays $262k for attorneys and sits in House for how long? but still doesn't know the statute of limitations is 5 not 3 years?! Disappointing indeed.

Groundswell Fisheries Movement

new staufen | July 18, 2007 - 8:55pm

reply »

Get over it Ray

Just because Ray Metcalfe said he thought Ben Stevens did something wrong (and is likely correct about it) doesn't mean he should be anywhere in politics. He's a creepy man who drives "2Red4U" around town- his mac daddy caddy. Things in HIS past prove he's not the moral compass Alaskans should follow. ps- Theresa Obermeyer also thinks the Stevens are corrupt, but I'm pretty sure no one wants her in office anywhere.

new acom | July 18, 2007 - 9:23pm

reply »

Your knowledge of Alaska history is lacking

Ray Metcalfe signed his name to a complaint, and laid down his own money, helping to stop Tony Know-less (another 'prostitute' to the oilies) from permitting the ARCO monopoly on the N. slope. The FTC seems to have seen Ray's perspective in that case as correct...

With little or no financial reserves, he signed his name as a party to a suit that reversed legislation supported by some of the crooks now on trial that would've made it much more difficult for the average Alaskan to confront apparent constitutional violations by our State 'government.'

Ray Metcalfe travelled on his own dime over the last half-dozen years, at a time that he had few dimes to spare, to educate Alaskans about how badly they've been ripped off for oil revenues, ever since Ramona 'Tammy Fae' Barnes' and Ed Stankworth's oil give-aways, under their re-birthed ELF.

And he has provided useful information about soon-to-be-felons in legislative offices -WAY- beyond ol' tantruming Benny.

I could go on, but I won't. His list of -serious- efforts in very real public service, at his own expense, goes -WAY- beyond Benny and Ted Stevens' poorly-closeted skeletons.

So what have you done to turn Alaska toward pursuing a path of honest government lately?? Did you give 'til it hurt, or take 'til you couldn't consume any more??

I'll second the motion: "DRAFT RAY METCALFE TO THE U.S. SENATE!!" (And lock away the oil companies' legislative prostitutes in an earthen cell, with all of their favorite lobbyists.)

BTW, when do former AG Marquez's and Frank Murkowski's conspiracy and obstruction indictments come out, if at all? (It seems that someone didn't want APOC investigating ol' Benny, back when he was carrying the water in the Senate for Franky's PPT. Purely a coincidence, I'm sure...

new F_Firkle | July 19, 2007 - 12:42am

reply »

You seem the type...

how typical - locker room players think anyone with a conscience and stand-alone ethical capacity is a bit creepy. Translation - you don't find them manipulatable to your liking, you can't get them to cut you or your company a special deal, so you wonder what use such honest people are.

FBI - Stevens-1136

Update - that caddy is long gone.
Challenge - name the HIS past items you are referring to; and while you're at it, join the open society and expose your own name in this public debate. It's only fair, else folks will feel your prejudice or bias is all that's showing.

Let's help you get started on the list - he was in the Legislature and did not like the Religious Right takeover ploy of Jerry Falwell; he was chair of the ad hoc committee on the PFD - and many Alaskans appreciate the service of that committee every year; he was a roustabout on various rigs, so got along fine with working men; and that's right, he's one helluva dancer and the ladies get

along just fine; oh we almost forgot, he can walk down the street and have many people he never met before stop him, shake his hand, and thank him for the service he has done for all Alaskans by exposing the corruption and ensuring the FBI was on it - after all, you might notice they are following the blueprint of his APOC filings.

We know you mean well for Alaska, but if not Ray, then who else at this time should have a shot at cleaning up this mess and getting back the 100 billion bucks that was ripped off? Because we can guarantee you that others will try to steal the limelight, have the "praise and honors for the non-participants" trophy in their name, but all of those legislators and candidates stood by for many years as Ray shared all the documents with them, and not one of them lifted a finger to get it right, just as every state agency failed to do its job too. I think this one major fact alone qualifies Ray above all other candidates. No, he's not perfect, and will be the first to tell you that, but he has a good heart and his political ethics are rock solid. He's earned the chance.

DRAFT RAY METCALFE FOR THE U.S. SENATE!

Brgds, Stephen T.

new staufen | July 18, 2007 - 9:41pm

reply »

Arrogance

Believing he is some how entitled is pure arrogance.

new Ter_H | July 18, 2007 - 6:34pm

reply »

Not good

it's a giant FU to the citizens of Alaska and the system that's in place to prevent these ethical violations...and in some cases criminal actions.

I also hope Lisa Murkowski owns up to the purchase price of that land deal from pal Penney. I view that as an even greater lapse of ethics.

new Stags_Leap | July 18, 2007 - 3:56pm

reply »

This won't hurt him in Alaska.....

particularly bush alaska where the school money is being taken from.

As for lisa, haven't you heard, she bought it for the appraised value of $176,000, fair and square?

You might want to find another windmill to joust at.

new truthseeker | July 18, 2007 - 8:35pm

reply »

do your home work

She paid the accessed value NOT the appraised value which is 100,000 more! She filled out a questionair at the borough office it is public record!

new grateful | July 18, 2007 - 9:28pm

reply »

FBI - Stevens-1137

The Dom At His Finest

This is classic, check out the YouTube video Here

The stress is getting to him, he needs to relax a little bit.

"And if we continue this, what I call biting one another, very much like the mink in my state, that kill their own, there's always another day, and those that bite will be killed too, and I'm very good at that."

"Those that bite me will be bitten back." - Don Young

new twentythreeskidoo | July 18, 2007 - 3:52pm

reply »

>>"Those that bite me will be bitten back." - Don Young<<<

Don, Frank, and Ted apparently all attended the same charm school.

Never mind that one of Don's former aids has already plead out re. Abramoff issues (behavior that was completely unbeknownst to Don, I'm sure....)

Alaska has accepted these corporatist prostitutes and clowns as 'representation' simply because they bring the biscuits and gravy back home when slicing up the federal tax slops; the greed of the State as a whole has caused many to turn a blind eye to the behaviors of these three bafoons for decades, in exchange for personal gain and large contracts. Not so different from some of those we're now prosecuting, in that regard...

What price, integrity??

Ain't rugged individualism and independence grand??

They are all the products of a hungry quasi-welfare state that consumes federal tax money in a similar wasteful fashion as some who abuse the food stamp program.

Humility, integrity, and reverence are not in their characters, but dollar signs eclipse their vision.

new F_Firkle | July 18, 2007 - 6:45pm

reply »

Remember Ben Franklin?

He who proposed the U.S. flag feature a rattlesnake with the legend:

"Don't Tread On Me"

He lost that battle, setting the stage for so much abuse of our good nature over a couple of centuries.

I hadn't thought of Don Young as a latter-day Franklin until just now, so THANK YOU for the inspiration!

new rfn | July 19, 2007 - 9:00am

reply »

Maybe Farmed Salmon would have been more appropriate

Alaskan seafood and crab was served. Maybe everyone would feel more comforable if fresh farmed salmon, which is less expensive, would have been served instead.

new nerka86 | July 18, 2007 - 12:37pm

reply »

What SHOULD be done

has little relevance in today's climate where the rulers of the land have a sense of entitlement. So get over it. If an action or inaction is probably not illegal, or at least doesn't involve jail time, it is fair game.

That is why we need helmet safety laws, right? And poop laws? And seat belt laws? And financial disclosure laws? And...and..and....

new Dusty | July 18, 2007 - 12:12pm

reply »

FBI - Stevens-1138

I am appalled

Not because of the illegal contributions which in the context of Young´s warchest were de minimis. But because of the absolute "chutzpa" which he demonstates by saying that he will not return the contributions that fall outside of the statute of limitations. This man obviously has no sense of right and wrong. Reminds me of the old adage "Power corrupts and absolute power corrupts absolutely."

new theodosius30 | July 18, 2007 - 10:53am

reply »

going down

stevens times 2, murkowski times 2, young, and more than a few Alaska legislators are all going to be investigated and made to stand trials for their wrongs and it is way over due,

new grateful | July 18, 2007 - 9:35pm

reply »

Young's Behavior

... in regard to repaying money is simply that of a narcicistic opportunist behaving as narcicistic opportunists are prone to behave.

For him it matters not that there is an appearance of 'improper influence in government,' but rather, 'what can you actually hurt me for...'

Years ago we called that 'pig-headedness.'

It's not been about a sense of conscientious, personal-morality-based 'right or wrong' in decades, for most of Congress, or even Juneau, for that matter.

It's been about 1.) Power, 2.) Partisan Power, 3.) Providing 'spin' and propaganda to the non-researching public, so as to maintain the first two attributes every other November, and 4.) The Historic Foibles of Human Kind when empowered with the authority to make decisions over others.. Cancerous, it is...

Socially Conscious Anarchy is highly under-rated in my opinion; it tends to more effectively eradicate this whole 'alpha wolf phenomenon' that we now see in the current established Oligarchy, and within -both- major political parties in this Country.. to greater and lesser degrees.

But by all means, protect me from myself. After all, where would I be without Big Government???

Where are the Bolsheviks when ya' need a hand, eh??

new F_Firkle | July 18, 2007 - 12:48pm

reply »

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FBI - Stevens-1139

Team Coverage

Criminal investigation into three Alaskan lawmakers

By Andrea Gusty and Matthew Simon, CBS 11 News Reporters
KTVA

Article Last Updated:07/25/2007 08:29:36 PM AKDT

Senior House Republican Don Young has come under criminal investigation. It is a Wall Street Journal story, published Wednesday, that states Representative Young is being investigated for his alleged ties to VECO Corporation and the Legislative corruption scandal.

Three former Alaskan lawmakers are charged with bribery, extortion and money laundering in connection with the case. Others are expected to be named in the scandal. The journal says investigators are trying to determine whether Young or U.S. Senator Ted Stevens took bribes, illegal gratuities or unreported gifts from VECO.

In a statement issued Wednesday, Senator Stevens said:

I know Alaskans are interested in my views on the investigation. While I understand this interest and would like to discuss these issues in great detail, the interests of justice and our state are best served if I make my comments after federal officials complete their work.

Congressman Young's office has no comment on the investigation.

With Congressman Young's name added to the list of lawmakers being investigated, both of Alaska's ranking members of the Washington delegation are in the fed's sights.

So where does that leave Alaska?

Young and Stevens have more than 70 years combined service on Capitol Hill, but the ethics investigations could mean the end of the Young-Stevens era.

And that could mean big changes for Alaska.

The federal ethics investigation has spread from Juneau to Capital Hill with all three of Alaska's Republican Washington representatives under some sort of federal ethics investigation:
Young for campaign contributions, Stevens for his ties to VECO and Lisa Murkowski for land deals.

"Federal investigations do two things. One, they find problems, but they can also find that there are no problems. So to jump to conclusions at this time as to what the findings will be, I can only conjecture with you, which is a waste of time," said Randy Ruedrich of the Republican Party of Alaska.

The state's Democrats say that lawmakers need to be straight with Alaskans about the investigations.

"In Don Young case, he's our only guy there in Washington DC, and he needs to come forward and tell us that he can do his job, even while under a criminal investigation. And he needs to tell us why," said Jake Metcalfe of the Alaska Democratic Party.

Now many worry the investigations will tarnish Alaska's reputation and that it could leave the door wide open for the Democrats to take over.

"To be fair, Don Young and Ted Stevens have been doing a fine job for most of their public carrier, but we are in a situation now where we have to ask if they are going to be able to perform to the high levels of Alaska's needs in the 21st century? And I think the public is going to look at that question and say, 'No,'" said possible candidate, Ethan Berkowitz.

No matter who will represent Alaska in the future, they may have a tough time repairing the state's national image.

"Right now, the reputation of the state is being stained by the investigations that are going on. And it's going to take a long time to repair it," said Metcalfe.

Both Congressman Young's and Senator Stevens's seats are up next year. At least two influential Alaskan Democrats are being groomed by the national party to run against them. Young and Stevens have more than 70 years combined service on Capitol Hill.

Federal law enforcement sources say Young is under scrutiny for campaign finance practices relating directly to former VECO CEO Bill Allen.

Every August for the last 10 years, Allen held fundraisers for Young called "The Pig Roast." Public records show Young received 157,000 dollars from VECO employees and its political action committee between 1996, and 2006.

Earlier this year, Young filed a Federal Election Commission amendment. In essence, Young changed his campaign financial disclosure records to reflect he'd actually received 38,000 fundraising dollars from Allen in 2006.

That is why federal officials confirm they are now looking into Young.

To contact Andrea or Matthew, call 907-273-3186.



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FBI - Stevens-1141

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Alaska reacts to Young article

by Megan Baldino
Wednesday, July 25, 2007

ANCHORAGE, Alaska -- Rep. Don Young is once again under fire as the Wall Street Journal reports he is now part of a federal investigation in the Justice Department's influence peddling probe.

The New York paper first reported the story late Tuesday night and fallout began quickly in Alaska.

Citing several unnamed sources, the Journal reported that Alaska's sole representative is now under criminal investigation by the feds.

The Journal reports that Young's and Sen. Ted Stevens' ties to VECO Corp. are the target of the probe, which is focusing specifically on whether they took bribes and unreported gifts from the company.

Late Wednesday, Young's congressional and campaign offices had no comment.

Former U.S. Attorney for Alaska Wev Shea said the news is no surprise.

"Alaska has been so isolated and the arrogance of Don Young's statements on the House floor -- imagine what he's like behind the scenes," Shea said.

Shea is referring to last week's statements by Young accusing a fellow Republican of trying to take education money from Alaska.

"Apparently the students in New Jersey are trying to take money from Alaskan students," Young said on the floor.

Leslie Paige with Citizens Against Government Waste said the quote was telling.

"Wow. That is a little window into the psyche of several members of Congress, but particularly the members from Alaska, who have turned the U.S. Treasury into, like, a personal piggy bank. They think of it as 'their money' and its not," Paige said. "It's the taxpayer's money."

The group said Alaska has been one of the nation's top pork barrel spenders for years, and it may now be catching up to Young and Stevens.

FBI - Stevens-1142

"The problem with pork is it's kind of like a favor factory. You get contributions, potentially from different people ... sometimes you funnel contracts back and it tends to happen ... In a lot of cases, we've seen it happen, there is potential for abuse," Paige said.

Paige said even with the investigation ongoing, it's up to Alaska taxpayers to decide whether the probe will hurt either man.

Shea said it might, but what is potentially career damaging for Young and Stevens, he said could be good for Alaska.

194-AN-13620-M;500

"Everybody says it's bad," Shea said. "I think it's great for Alaska. I think for too long there's been an arrogance of the 'good old boy's' power."

The news follows Young's reporting of a refund of $38,000 in fundraising costs to former VECO executive Bill Allen. Those costs were apparently associated with Young's annual "pig roast" fund-raising event. Young has repeatedly received the "pork king" award by government watchdog groups.

The Wall Street Journal reports that Allen and VECO have contributed more than $150,000 to Young's campaigns in the last decade through the pig roast.

Late this spring, Allen admitted to, and was convicted of, bribing state lawmakers. However, Young was not among those publicly identified in the criminal case.

Contact Megan Baldino at mbaldino@ktuu.com

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FBI - Stevens-1143

SEATTLE POST-INTELLIGENCER
http://seattlepi.nwsource.com/connelly/325567_joel30.html

Political scandals thick as trees in Alaska

Last updated July 29, 2007 11:25 p.m. PT

By JOEL CONNELLY
P-I COLUMNIST

Threats and bluster are standard operating procedures for Alaska's seniority-laden Washington, D.C., delegation, and Rep. Don Young, R-Alaska, was in full cry earlier this month.

"There is always another day when those who bite will be killed, too, and I am very good at that," Young said. No kiddin'. He once waved an 18-inch-long oosik, the penis bone of a walrus, at the first woman to direct the U.S. Fish and Wildlife Service.

Young, the political architect of Alaska's "bridges to nowhere," was mad at a bid by Republican New Jersey Rep. Scott Garrett to cut one of his pet programs.

Not only did he go after Garrett, but Alaska's congressman went on to note that his opponent comes "from a state that doesn't have the greatest reputation in the world."

A few days later, The Wall Street Journal revealed that Young is under FBI investigation for his ties to VECO, the oil-field-services supplier whose president has pleaded guilty to paying off Alaska state legislators.

"Is two-thirds of the New Jersey congressional delegation currently being investigated by the FBI? Did New Jersey pols and lobbyists organize a Corrupt Bastards Club in the state capital? And get hats made?" the Alaska Ear column of the Anchorage Daily News asked.

Alaska has lately moved out in front of the Garden State when it comes to politicians for sale, for rent and ready to exchange favors.

The past year has seen a curtain pulled back on the crony capitalist insiders' network that has long run the 49th State, treating the "Great Land" as a grand treasure trove.

As usual, there's a key insider: In the 1970s, it was Jess Carr, the Teamsters Union leader whose local ran Alaska Pipeline construction with fists and featherbedding.

The go-to guy of recent times was VECO boss Bill Allen. VECO was the prime contractor in cleaning up Prince William Sound after the Exxon Valdez spill. VECO took in about $800 million of $2.5 billion spent by Exxon.

Allen got around, and got around the law.

By bugging VECO's suite at Juneau's Baranof Hotel, the FBI recorded vote-buying that resulted in Allen and deputy Rick Smith pleading guilty to extortion and bribery, plus corruption charges against one legislator and two former colleagues.

194A-AN-13620-M;501

Between 2002 and 2006, VECO paid $243,000 in consulting fees to the firm of state Senate President Ben Stevens, son of Alaska's U.S. Sen. Ted Stevens. What work the Stevens dauphin actually did is unclear. He has not -- yet -- been indicted.

Allen threw an annual fundraiser called "The Pig Roast" for Young each August. Young chaired the House Transportation Committee until Democrats won control of Congress.

Young received $157,000 from VECO employees and its political committee over the past decade. He amended campaign-finance filings this year to report $38,000 in payments to Allen for "fundraising costs."

And there is 83-year-old Ted Stevens, Alaska's senator for life. The FBI is investigating a 2000 project that more than doubled the size of his home in Girdwood, a ski town near Anchorage.

One contractor who worked on the house said he was told to send bills to VECO. He has said that someone in Allen's office examined the billing, then sent them to Stevens.

The Los Angeles Times did a 2004 study of "Uncle Ted's" personal finances. Stevens has become a millionaire by investing in partnerships with influential contractors. The same partners profited handsomely from spending items that Stevens put into the federal budget.

The Anchorage Daily News has regularly disclosed lucrative lobbying by former aides to Young and Stevens. An ex-Young staffer owns land near the terminus of a controversial proposed bridge. The family of former Gov. Frank Murkowski owns land on Gravina Island, destination of a planned bridge from Ketchikan.

Stevens, too, is given to threats. He vowed revenge on Sen. Maria Cantwell, D-Wash., after she blocked his backdoor bid to open the Arctic National Wildlife Refuge to oil and gas drilling.

In a final "predators' ball" of Alaska's elite, Stevens, Young and Allen headlined a fundraiser for Cantwell's GOP challenger Mike McGavick. McGavick ended up refunding $14,700 from VECO executives when news of the FBI inquiry became public.

A new north wind is blowing.

It blew away Murkowski in last year's Republican primary. The winner -- now governor -- was Sarah Palin, who blew the whistle on ethical misconduct while chairing the Alaska Oil and Gas Conservation Commission.

Anchorage Mayor Mark Begich is being recruited by Democrats to run against Young. Young is also under scrutiny for favors done for Florida businessmen who were big campaign donors.

The state's junior Sen. Lisa Murkowski -- appointed by her father when he was governor -- dodged a bullet last week. Murkowski and her husband announced they were selling back a choice Kenai River lot to a friend and real estate developer.

The resale came after a D.C. watchdog group filed a complaint against Sen. Murkowski, charging she paid far below market value and that the land deal amounted to an illegal gift.

"While Verne and I intended to make this our family home, and we paid a fair price for this land, no

property is worth compromising the trust of the Alaska people," she said.

It's enough to bring tears to your eyes -- if you happen to be a crocodile.

P-I columnist Joel Connelly can be reached at 206-448-8160 or joelconnelly@seattlepi.com. Follow his political blog at blog.seattlepi.com/seattlepolitics.

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FBI - Stevens-1146

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Rep. Don Young (R-AK)
(House Website)

Pig Roast Protesters Move On To Salmon Bake

By Laura McGann - August 13, 2007, 11:46 AM

Despite a boisterous crowd oinking and yelling outside his annual pig roast fundraiser last week, Rep. Don Young (R-AK) is holding a public event this afternoon in Anchorage. The same anti-Young crowd is expected to attend.

The state's only congressman will serve up baked salmon to anyone interested in stopping by, a move that made one local political strategist cringe, according to an AP story.

The cringing is pretty reasonable, seeing that John Farleigh, the Alaska native who organized the last Young protest, is rounding up the troops for another assembly at the salmon bake. Farleigh left me a message last night saying he has already spoken with local media and has high hopes that the added pre-protest publicity will work in his favor.

If you're planning to snap photos at the event this afternoon, please send some our way!

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194A-AN-13620-M;
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TPM MUCKRAKER.COM *They've got muck. We've got rakes.*

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Rep. Don Young (R-AK)
(House Website)

Editorial: Youngs Earmark Stinks

By Laura McGann - August 14, 2007, 3:34 PM

Rep. Don Young's (R-AK) ethically and legally questionable $10 million Coconut Road earmark doesn't smell right to the editorial board at the *Naples Daily News*, the paper that originally broke the story.

From the earmark's mysterious appearance in the 2005 transportation bill for the narrowly tailored project, to the revelation that the allocation came from a far-flung congressman, the editorial board didn't like what it saw.

> Now comes the worst smell test failure. A study compiled by a retired veteran of congressional funding practices shows the earmark was changed to specify Coconut Road between the time an overall transportation bill was passed by Congress and later signed by President Bush. Editing solely for style rather than substance is supposed to take place at that stage.

As we reported last week, this is an extremely unusual case.

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First, please put an apostrophe in "Youngs."

Looking at the handy chart Josh posted on Talking Points Memo, it's clear that Alaska's senators and congressman have been very effective in taking care of their state.

I'd like to think that there would be general outrage in Alaska over the behavior and dealings revealed about these representatives, but the cynic in me sees voters in the "new state" thinking that if Stevens, Murkowski, and Young are taking a little off the top for themselves, that's just the cost of getting so much federal money.

We OUTSIDE the state are outraged. But what about the voters up THERE? Even if only a third of the money they've brought into Alaska goes to programs that help Alaskan residents instead of into the pockets of business cronies, they're still getting almost $100 a person more than the next continental state.

Unless the Congress itself does something about these three wheeler-dealers, I don't see them getting voted out of office anytime soon.

Posted by: Roberta
Date: August 14, 2007 4:08 PM

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The Officers of Veco are no longer happy . . .

Posted by: Richard L. Adlof
Date: August 14, 2007 9:58 PM

The people in Alaska are not happy either. We are tired of the arrogance, the lies, and the sense of entitlement that these skunks we elected have. Some of us have been tired of it for a long time.

I hope that we DO vote the thieves out. I also hope we don't replace them with more thieves. Unfortunately, with some politicians, the only thing you can be sure of is that they are lying - again.

Stevens - way past time to go. PLEASE retire. And take your son Benny with you. You have lost your effectiveness. Bully ways might have worked once, but most people see you as someone who should have retired. It will be time for ALL of us eventually. The trick is to leave before you get KICKED out and before you have lost all credibility.

Young - an embarrassment to ALL ALASKANS. He is a joke, and has been for years. He isn't 'direct', he is obnoxious. No loss if he loses. My cat could do a better job.

Murkowski - the jury is still out, but she can't help feeling 'entitled'; she learned it at her daddy's knee. And HE is about as ethically challenged as anyone we have ever had. I had high hopes for her.

Wish us luck in getting rid of the ethically challenged. Alaska deserves better.

Posted by: PalmerBuyer
Date: August 14, 2007 10:34 PM

Name: Remember personal info?
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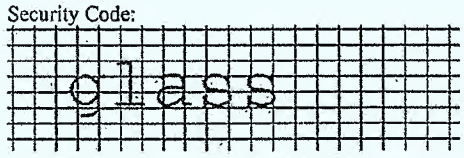
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Don Young picnic targeted by protesters

August 14, 2007

Anchorage, Alaska - Alaska congressman Don Young was heckled by protesters throughout a public picnic he held Monday afternoon in Anchorage.



Young is running for re-election and under multiple criminal investigations for bribery and corruption.

Young arrived about 2 1/2 hours late to his meet-and-greet salmon bake picnic held near the downtown area of Anchorage.

The congressman was heckled from the moment he showed up. About 50 protesters from around the park swarmed his tent and mercilessly shouted "FBI! FBI!" and "The cook is a crook!"



About half a dozen supporters of Young were at the picnic and tried to shout down the protesters. The supporters refused to give their names and hid their faces when a camera was pointed at them.

Near the end of the picnic, around 20 kids, egged on by one of Young's supporters, started picking up signs and joining the crowd. Most were screaming "Young is Bung." Nobody knew what it meant - including the kids - but it added some laughter to the festivities. The kids also shouted "The cook is a crook!", obviously that is was meant for Young.



VECO Corp., a company under investigation for bribing Young and other Alaska lawmakers, supplied one of the grills to his picnic, Young's aide said the grills were rentals and will be paid for by the campaign.

One of the few comments Young made was after a reporter asked him if he had done anything wrong. Young said "The Lord is with me."

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Paper: Honolulu Advertiser, The (HI)
Title: ANALYSIS
Date: August 19, 2007

Senate 'tag team' staying two-fisted

Corruption probe of Alaska buddy could undercut Inouye

WASHINGTON - In a surprise tribute to Sen. Ted Stevens of Alaska in April, Senate Majority Leader Harry Reid of Nevada began with a momentary slip of the tongue. He addressed Sen. Daniel K. Inouye of Hawai'i instead of Stevens, an easy mix-up, he said, because the two men are so close.

"The relationship between Senator Inouye and Senator Stevens, when the history books are written, will be legendary," Reid said on the Senate floor. "They are friends, a Republican and a Democrat, who are like a couple of brothers."

Flowery words are routine in the Senate, where decorum and politeness, at least on the surface, still rule. But the relationship between Inouye and Stevens is exceptionally tight. It began in the late 1960s as a strategic alliance between two young senators who represented the nation's newest states, then grew into a genuine bond as they became masters at directing federal money back home.

With Stevens now under federal investigation in a public corruption probe in Alaska, their partnership, which has helped bring billions in federal money to Hawai'i over the past four decades, may be in peril.

Federal agents have searched Stevens' home in Girdwood, a resort town south of Anchorage, and federal grand juries in Washington and Anchorage are hearing testimony. A Stevens ally and campaign contributor - a former executive at an Alaska energy services company - pleaded guilty in May to bribery involving four Alaska state lawmakers, among them Stevens' son, Ben, a former state Senate president.

Stevens, who is up for re-election next year, has privately asked Republican senators to stand behind him and urged people in Alaska not to judge him until the investigation is completed.

Inouye said his friend has told him he did nothing wrong.

"That's what he assures me," Inouye said in an interview in his Honolulu office. "So far, the senators on both sides have been publicly very cordial and friendly. I don't see any change. They don't shy away like he was a leper."

Inouye, 82, and Stevens, 83, first banded together in the Senate out of necessity. But they found they had common backgrounds.

Both had been decorated for their Army service in World War II. Inouye won the Medal of Honor for his battlefield heroism in Italy, where he lost his right arm. Stevens was awarded the Distinguished Flying Cross as an Army Air Corps pilot in China, Burma and India.

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They both were lawyers who had been active in territorial politics and were committed to statehood. And they both found they often had to explain and defend the needs of their states to Mainland senators who saw Alaska and Hawai'i as exotic and remote backwaters.

"We had the unbelievable chore of trying to convince our colleagues that we were part of the United States and worthy to be called Americans," Inouye recalled. "Ted and I were involved in this type of battle from day one."

POWER PLAYERS

Although they often disagree on national issues, their partnership for Alaska and Hawai'i has been unshakable, helping to insulate the states from losing out on federal money when political control of the Senate changes. Their seniority on the Senate Appropriations Committee, particularly its defense subcommittee, gives them an ability to steer federal money back home and the internal power necessary to get other senators to go along.

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On the Senate Commerce, Science and Transportation Committee, they are chairman and vice chairman, an unusual power-sharing agreement in an otherwise partisan environment.

They also have crossed party lines to help each other on Alaska's and Hawai'i's federal priorities: Inouye is one of the few Democrats to back oil drilling in the Arctic National Wildlife Refuge; Stevens is one of a handful of Republicans to support a Native Hawaiian federal recognition bill.

Their success over the years has made the pair often-revered figures back home as federal money helped create modern Alaska and Hawai'i.

In six of the past seven years, Citizens Against Government Waste has ranked Alaska and Hawai'i as the top two states per capita for federal money that is not part of presidential budget requests, or is not specifically authorized, or originates in one chamber of Congress, or serves only local or special interests. In 2006, for example, Alaska received $325 million, or $489.87 per person, in such spending, while Hawai'i received $482 million, or $378.29 per person.

The watchdog group derides the money as "pork," but Inouye and Stevens are proud of the rankings.

Inouye said that, in part because of Stevens, Hawai'i continued to do well when Democrats were in the minority.

"We didn't go down like other Democratic states because Ted Stevens would be the one to tell the other Republicans, give them a break, they need this," Inouye said. "And throughout good and bad times - and by that I mean Democrats in, Democrats out -these programs have been consistent."

Inouye and Stevens often travel on congressional delegations abroad and attend White House or Capitol Hill functions together. Over the past few days, Inouye has been with Stevens at events in Alaska, where he told people the state is fortunate to have Stevens.

PROUD PORK

Senate staff - and a few senators - have remarked on the personality differences between the reserved Hawai'i Democrat and the combustible Alaska Republican. At the tribute in April, which honored Stevens for becoming the longest-serving Republican in Senate history, Senate Minority Leader Mitch McConnell of Kentucky said he remembers asking himself when he first arrived in the Senate whether Stevens was ever in a good mood.

Winslow Wheeler, a former Senate aide now with the Center for Defense Information, which studies national security and defense policy, calls Inouye and Stevens "the tag team of defense pork."

Inouye is "much more even-tempered. He's much more gentlemanly. The style of his personality is completely different from Stevens. He's very reserved, stately and dignified," he said. "Stevens is a scrapper, an ill-tempered scrapper. The effect, however, is the same."

Wheeler wrote critical essays under the pen name Spartacus on what he considered wasteful spending in defense bills, before he was outed and forced to resign from his position as an aide to Sen. Pete Domenici, a New Mexico Republican. He said he recalls attending meetings with defense subcommittee staff before appropriations bill markups and hearing nearly identical statements from Inouye's or Stevens' staff, depending on who was in charge at the time.

"On earmarks, nobody got everything, nobody got nothing," Wheeler said he was told. "We did as well as we could, but remember, if your boss voted against our bill last year, don't expect much help from us."

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Steve Ellis, vice president of Taxpayers for Common Sense, an activist group critical of lawmakers' pet projects, known as "earmarks," said Stevens should step down from his powerful committee posts during the federal corruption investigation.

"That would do the whole country a service and it would also help increase the confidence of the public in the Congress," he said.

Inouye and Stevens have defended earmarks as one method of getting federal money for important state projects. Inouye likes to remind people that the East-West Center, for example, was an earmark. "I'm not embarrassed or ashamed by what they call earmarks," he said.

Stevens, according to the Anchorage Daily News, told an Alaska audience this month: "The money will simply go to other states for their needs and ours will go unmet."

But Ellis, who wants more transparency on earmarks, said Alaska and Hawai'i may be at a disadvantage over time by relying too much on Stevens and Inouye to deliver.

"We're not saying that Alaska or Hawai'i shouldn't get federal resources, by any stretch of the imagination. Certainly, I think that they, by being geographically dislocated from the Mainland, unfortunately sometimes they are forgotten or less thought about," Ellis said.

"But that's nothing you couldn't correct for in any kind of formula program or in a competitive award or a merit-based program for awarding funding. Someday, Senator Inouye isn't going to be in office, and neither is Senator Stevens. I would think that Alaska and Hawai'i would be much better served by having a merit-based system that would actually reward strong performing programs rather than having something based on political muscle."

CROSSING PARTY LINES

Ignoring party rules, Inouye and Stevens have contributed money to each other's campaigns. Alaska donors also have given money to Inouye, and a few Hawai'i donors have given money to Stevens, but mostly as tokens acknowledging the friendship, since neither Inouye nor Stevens has faced any serious political challenge.

In the 2004 election cycle, Inouye received $34,700 from Alaska donors, according to the Center for Responsive Politics, which follows campaign spending. The donations include $13,000 from executives or family members from VECO Corp., the Alaska energy services company whose executives were caught up in the federal corruption probe. Bill Allen and Richard Smith, former VECO executives who pleaded guilty to bribery, each donated $2,000 to Inouye.

A VECO Corp. assistant told The Associated Press in a 2004 statement about the contributions that they were made because Inouye "is a friend of Ted Stevens and a friend of Alaska."

Another Anchorage businessman who donated money to Inouye, Ed Rasmuson, was more pointed, telling the AP: "You can't be dumb about it, this is Stevens' best friend in the Senate."

The Northern Lights Political Action Committee, Stevens' leadership PAC, gave Inouye $10,000.

In Alaska, where Stevens is known affectionately as Uncle Ted and the airport in Anchorage is named in his honor, he had been expected to easily win re-election next year to another six-year term before news came of the corruption probe. He was first appointed to fill a Senate vacancy in 1968.

Carl Shepro, a political science professor at the University of Alaska-Anchorage, said political opponents will try to use the federal investigation to weaken him but that he remains popular. "I don't see, in all reality, unless there is a substantial charge levied and he's in court, I don't see that the support for him is going to diminish a whole bunch," he said. "I don't know if you can say he's beloved, but he's certainly viewed as a strong champion of Alaskan issues."

Stevens, speaking to Congressional Quarterly Today in May about his campaign, mentioned his friendship with Inouye as an influence. "I just don't think I'd contemplate running again if Dan wasn't here," he said. "One of (us is) going to leave, and other will hang up his shield."

Inouye would still have his seniority and his ties with other veteran Republican senators if Stevens leaves office or loses re-election. But Inouye has lost two lifelines over the past two years - his wife, Maggie, who died in March 2006, and longtime confidant Henry Giugni, who died in November 2005. He would dearly miss Stevens as his brother in the Senate.

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"It will make life a little more challenging," Inouye said. "I'll be candid with you, I'd miss him."

Reach **Derrick DePledge** at ddepledge@honoluluadvertiser .com or 525-8070.

Pull-quote:

"We had the unbelievable chore of trying to convince our colleagues that we (Hawai'i and Alaska) were part of the United States and worthy to be called Americans. Ted and I were involved in this type of battle from day one."

SEN. DANIEL K. INOUYE

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Author: DERRICK DePLEDGE
Section: Main
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2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

August 26, 2007 Sunday
FINAL EDITION

Military's pollution a lingering war legacy;
WORRIED VILLAGERS: Remote sites, dwindling funds threaten cleanups.

BYLINE: By JEANNETTE J. LEE The Associated Press

SECTION: MAIN; Pg. A1

LENGTH: 1150 words

For countless generations, Yupik Eskimos fished the Suqitughneq River on St. Lawrence Island. Though his grandfather once pulled salmon and trout from its waters, George Noongwook has never done so.

The Yupik whaling captain from the village of Savoonga is wary of lingering diesel and PCBs from a deserted Cold War surveillance site nearby. He believes they will make him sick.

"There hasn't been anyone fishing there in my lifetime because all the fish died," said Noongwook, 58. "They're back now, but everyone knows (the river) is contaminated so they go elsewhere."

The old Air Force base at Northeast Cape, 140 miles from the Russian mainland, is one of at least 640 contaminated military installations across Alaska dating from World War II and the Cold War. In all, they will cost at least $1 billion to clean up, according to the U.S. Army Corps of Engineers.

Many of these decaying or downsized outposts are sullying lands and waterways used as primary food sources by at least two dozen tiny communities. Thousands of rural Alaskans depend on wild plants and animals such as caribou, salmon and berries for subsistence.

Old barracks and radar stations from the Arctic coast to the Aleutian Islands contain now-banned materials such as asbestos and lead paint, according to state environmental records. Hidden landfills harbor unknown quantities of scrap metal and munitions. Diesel, PCBs, pesticides and heavy metals have seeped unchecked into soils and rivers.

LANDFILLS ARE LEAKING

Conflicting studies on any lingering health hazards worry many rural residents, who blame the sites for recent increases in cancer and other diseases.

A study in 2002 showed that Alaska Natives who hunt and fish near Northeast Cape have nearly 10 times as many PCBs in their blood as average Americans, but more research needs to be done, said Dr. David Carpenter, an environmental health professor at the University of Albany in New York who led the study.

In the meantime, residents of these isolated villages wait with varying degrees of patience as the years-long cleanups run their course.

At Cape Lisburne on the Chukchi Sea, a scaled-down Cold War radar site continues to leak contaminants onto prime hunting grounds inhabited by caribou, grizzlies and walrus, said Earl Kingik of Point Hope. Pollution from the site runs directly into the Chukchi, part of the Alaska National Maritime Park, according to the state's contaminated sites database.

"There was a cleanup several years ago, but we are not satisfied," said Kingik, co-chair of a community group that advises the military on cleanup. "The landfill is right on the drainage into the ocean."

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The military receives congressional funding for cleanups nationwide through the Department of Defense's Environmental Restoration

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Program, started in 1987.

In 2007, the U.S. Army Corps of Engineers received $262.8 million for the cleanup of 9,000 former defense sites nationwide. Nearly 8 percent of that went to Alaska.

The state contains the third-highest number of formerly used defense sites in the nation, behind California and Florida, according to the corps, which is in charge of 600 sites in Alaska.

"The military has changed, technology has changed, the threat has changed. The decision to scale down is a combination of all kinds of things," said Tommie Baker, of the 611th Civil Engineer Squadron. The 611th is responsible for environmental restoration of about 40 Air Force sites in Alaska.

During World War II, Alaska became a transit hub for weapons and supplies sent to Russia under the Lend-Lease program. In 1942, the Japanese capture of Attu and Kiska in the Aleutian Islands also spurred speedy military buildup.

Radar and satellite stations sprang up along the northern and western coasts during the Cold War to watch for Soviet air attacks launched over the North Pole.

The military said it has been steadily clearing away the most conspicuous remnants of war, including barracks, radio towers, construction equipment and mounds of rusted oil drums.

"At Northeast Cape we have gotten rid of buildings and other visible impacts," said Carey Cossaboom, a project manager with the Army Corps of Engineers. "We're now moving to the leftover contamination in the ground, the nonvisible impacts, which are very real."

CLEANUP MONEY EBBS

Of 1,500 contaminated sites within the 640 installations, about 50 percent have reached sufficiently clean standards, according to Alaska's Department of Environmental Conservation. The agency oversees the cleanups and determines when they can stop, based on state regulations.

"They're required to clean to levels that are not considered an unacceptable risk," said John Halverson, an environmental program manager at the department. "It's not feasible to clean anything up to original background levels, but that means sometimes the landowners won't be happy."

A former Army installation at Moses Point, an important Inupiat Eskimo fishing site in western Alaska, was closed two years ago to further cleanup. Paul Nagaruk, former mayor of the nearby village of Elim, said the project was far from successful.

The village of 300 people has requested Alaska Community Action on Toxics to do additional testing and studies. The organization advocates for environmental health in communities.

"Our people welcomed the military, our men enlisted, they helped rescue downed planes and the Department of Defense has not taken into consideration the human health effects of these places," said Vi Waghiyi, coordinator of the environmental health and justice program for the nonprofit's Norton Sound Alaska Project. "The Army corps has not properly identified what is left and a lot of times the burden of proof is on communities."

State and federal officials say funding for cleanup on deserted military installations in the state is dwindling and the projects take years to research and execute.

The $20 million allotted to the Army Corps of Engineers for Alaska in 2007 represents a steady annual decrease from 1998 when the corps received $50 million.

Sites in Alaska generally cost more to clean up than in other states because of the logistics of traveling across vast stretches of roadless terrain and the short summer work season.

"You can only go by barge to Northeast Cape and you need to get in by mid-June and get out by September or risk being stuck all winter," said Kenneth Andraschko, the corps' acting program manager for formerly used defense sites in Alaska. "You're at the whim of Mother Nature."

St. Lawrence Island residents hope that one of these summers, the remnants of a 30-year-old, 180,000-gallon diesel spill will be removed from the Suqitughneq River. Then, just maybe, they will return to its banks to fish.

"You can smell it and you can see it," Noongwook said of the diesel. "Before the military came, the river was an important subsistence source, a great ecosystem."

LOAD-DATE: August 27, 2007

LANGUAGE: ENGLISH

GRAPHIC: ALASKA COMMUNITY ACTION ON TOXICS / Associated Press archive 1998
'Above: Annie Alowa stands at an abandoned military defense site at Northeast Cape on St. Lawrence Island before the site was cleaned up. This old Air Force base, 140 miles from the Russian mainland, is one of at least 640 contaminated military installations dating from World War II and the Cold War scattered across Alaska.
AL GRILLO / The Associated Press
Left: A contaminated fuel tank sits at an abandoned military defense site in Nome.

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

August 28, 2007 Tuesday
FINAL EDITION

Corruption cases may be paired;
TWO LAWMAKERS, ONE TRIAL: Judge's recommendation comes with hearings set to start Sept. 5.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 662 words

With their public corruption trial just over a week away, former state Reps. Pete Kott and Bruce Weyhrauch are maneuvering to throw out big chunks of the prosecution case.

Wiretap evidence. Secret video recordings. Statements by "unindicted co-conspirators," as the prosecution calls them.

Kott's and Weyhrauch's defense lawyers are filing court pleadings at a furious rate as the Sept. 5 trial date nears. Prosecutors, meanwhile, say at least part of the legal battle is too late.

On Monday, a magistrate judge issued a recommendation that the two former lawmakers be tried together.

Weyhrauch was trying to split his case apart from Kott's. His reasons weren't stated publicly because the argument, like many in the case, was filed "under seal." But in his 12-page recommendation Monday, Magistrate Judge John D. Roberts shed some light on the issues raised by Weyhrauch:

* Worries about a spillover effect, if the government has more evidence against Kott. Frequently, that's the situation with co-defendants, Roberts wrote.

"The argument that Weyhrauch never became intoxicated, used foul language or was given a hat with the letters "CBC" (corrupt bastard's club) may serve to distinguish him from the actions of his co-defendant in the jury's assessment of the case," Roberts said. Jurors should be able to separate the evidence against each, and the judge may give special instructions along those lines, he said.

* If the two men are tried together, Weyhrauch's defense lawyer believes the prosecution may try to prove there were multiple conspiracies, but Weyhrauch is accused of participating in only one.

Weyhrauch and Kott were indicted on a charge of conspiring with two Veco Co. executives, Bill Allen and Rick Smith, and others on the rate for a new state oil tax. Both Allen and Smith have since resigned. Veco is an oil field services company.

If evidence of multiple conspiracies is proven at trial, that could be harmful to Weyhrauch and make a conviction "vulnerable to attack on appeal," Roberts acknowledged. But until the trial happens, it's impossible to know whether that will be the case, he said in his recommendation.

U.S. District Court Judge John Sedwick ultimately will decide the issues.

Doug Pope, one of Weyhrauch's lawyers, said that despite Roberts' recommendation, his client's case still could be split apart from Kott's -- after the trial begins and evidence is admitted. That's usually how such matters play out, he said.

The deadline for motions was July 24. That's the same day prosecutors turned over to the defense 1,601 pages of materials used to

FBI - Stevens-1160 194A-AN-13620-M;307

support their search warrant applicati[redacted]There simply wasn't enough time to handle th[redacted]lume of documents, Kott's lawyer, Jim Wendt, wrote in a court filing.

Judges can allow defense lawyers to make new arguments, even at this late date.

The reason the prosecution didn't provide the documents sooner? It's "because the materials disclose multiple ongoing, non-public investigations," according to a filing by prosecutors.

The details of the search warrant documents remain largely hidden from the public -- "under seal," to use the court term. Both sides have filed documents that way. Prosecutors said in one court document that they didn't want information about other suspects or investigations to become public.

Roberts ordered on Friday that no more documents in the case be filed under seal unless the lawyers first get permission from a judge. The order surprised the defense lawyers.

"He came in like a cowboy out of left field on that," Pope said.

Calls to prosecutors weren't returned Friday or Monday.

Weyhrauch, a Republican from Juneau, did not run in 2006. Kott, a former Republican House Speaker from Eagle River, was defeated in the 2006 primary and now lives in Juneau.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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LOAD-DATE: August 28, 2007

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

August 30, 2007 Thursday
FINAL EDITION

Kohring: Detention was illegal;
FBI RAID: He says he was not read his rights during questioning.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 769 words

Former state Rep. Vic Kohring claims that when FBI agents raided his legislative office a year ago, they illegally detained him and forced him to submit to hours of interrogation without ever reading him his rights.

Kohring was indicted on bribery, extortion and conspiracy charges in May. He is accused of selling his office to oil field services contractor Veco Corp. and resigned his Wasilla House seat in June. Trial is set for Oct. 22.

His lawyer, John Henry Browne of Seattle, is trying to suppress evidence seized in and statements made by Kohring during the Aug. 31, 2006, search.

New court filings told from Kohring's point of view are full of drama:

Around 11 a.m. that day, FBI agent Alan Vanderploeg called Kohring on his cell. He was with a friend, headed to Palmer to check out a pickup for use in his House race. The agent insisted they meet right away at Kohring's Wasilla office.

"Five armed FBI agents, who were already waiting there, created a quite intimidating scene," when Kohring arrived.

The agents said they had a warrant to search his office, but never produced it, according to Kohring's story. Instead, the court papers say, they pressured him to consent to a search so no warrant was needed and threatened to tell the media if he refused.

The FBI advised Kohring to send his aide home, which he says in a statement he later regretted.

"Then, while Kohring was isolated and segregated, the agents finally revealed that he was not only a witness, but also a suspect as well, and displayed a thick file folder with his name on it ostensibly containing incriminating information, though the agents never displayed its contents," says one of the court filings.

The FBI investigation dated to 2003, his lawyer wrote.

FBI - Stevens-1163

The agents told Kohring he wasn't under arrest, but made it clear he wasn't free to leave, Kohring claimed in his statement. In fact, they locked the front door to his office and wouldn't let him go to the bathroom or get a drink of water, his lawyer contends.

The totality of circumstances -- including a "police-dominated atmosphere" -- shows that he was in custody, yet he was never read his Miranda rights, Browne argued. No reasonable person would have felt free to leave, one of the motions says.

Kohring was able to phone a friend and attorney, Robert Hall. He contends the FBI pressured him to hang up before getting any useful advice.

Hall was so worried, he rushed to Kohring's office but the FBI wouldn't let him in, Hall says in a court filing.

"The agents persisted in searching and questioning in excess of two hours, during which Kohring was isolated in his locked offices while

194A-AN-13620-M:509

his friend and personal attorney sat in [redacted] hallway, barred from entry," one of the motio[redacted]ays.

Near the end of the interview, after agents told Kohring he was a suspect, "they threatened him with 20 years in prison if he did not answer incriminating questions in regards to his association with VECO corporation," Browne wrote. They termed it "the Martha Stewart question." The homemaking diva went to prison for lying to investigators.

The search ended after 2 p.m., according to Kohring.

Prosecutors and the FBI dispute Kohring's claims, said Joe Bottini, an assistant U.S. attorney. They will file their detailed response in court, he said.

Kohring himself told a different story the day of the search.

"I fully cooperated and answered all their questions," Kohring said in a written statement back in August 2006. "I was told that I am not a target of the investigation and was asked not to discuss details of the interview."

Kohring wants the judge to move the trial to Washington state because of all the publicity in Alaska. His trial could take place around the same time as a special session set to revisit the state's new oil tax. Gov. Sarah Palin called the session because she said the bribery cases taint the tax legislation passed in 2006.

Two other former representatives, Pete Kott and Bruce Weyhrauch, go to trial just before Kohring. Former Veco Corp. executives Bill Allen and Rick Smith are expected to be key witnesses. They already have pleaded guilty to bribery and conspiracy.

Browne also wants the government to reveal all promises made to Allen and Smith for their cooperation, as well as to two witnesses who testified earlier this summer against former Rep. Tom Anderson, who was convicted of bribery and other charges.

A hearing on the requests to suppress evidence is scheduled for Sept. 17.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

INVESTIGATIONS: For past stories and a timeline of events, go to

adn.com/corruption

LOAD-DATE: August 30, 2007

LANGUAGE: ENGLISH

GRAPHIC: Kohring

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

FBI - Stevens-1164

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 4, 2007 Tuesday
FINAL EDITION

Prosecutors direct new allegations against Kott;
UNLAWFUL GIFTS: Prosecutors say Kott started accepting benefits from Veco officials in 1999.

BYLINE: By RICHARD MAUER rmauer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 717 words

As federal prosecutors prepare to begin their case this week against two former state legislators, they have unveiled new allegations that one, Rep. Pete Kott, had been taking unlawful gifts and benefits from Veco officials since 1999.

Kott, a former House speaker who ran a flooring business on the side, stored equipment from 1999 to 2006 at a warehouse owned by the oil-field service company, the government said in a recently unsealed motion. The government also alleged that Kott received $12,000 in equipment from Veco or its former chairman, Bill Allen, in 2002, and that Allen gave him $5,000 in 2004. The next year, Kott took possession of tools and other items that Veco bought in a charity auction, prosecutors said.

Those alleged actions were in addition to conduct charged in the seven-count indictment returned by a federal grand jury in Anchorage in May against Kott, an Eagle River Republican, and former Rep. Bruce Weyhrauch, a Juneau Republican. Most of the alleged illegal activity in the indictment took place between September 2005 and August 2006.

Both men have pleaded not guilty to bribery, extortion, fraud and conspiracy. Their trial begins Wednesday in Anchorage before U.S. District Judge John Sedwick.

In the days leading up to the trial, the two defendants have also been firing back at the government, challenging some of the legal theories of the prosecutors. They are disputing the government's assertions that the two men had a duty to disclose they were seeking work from Veco or Bill Allen at the same time they were voting on issues affecting Veco.

Kott also asked the judge to prevent the government from bringing up alleged prior "bad acts" that weren't specifically charged in the indictment.

Allen and former Veco vice president Rick Smith are expected to be key government witnesses. They have pleaded guilty to bribing legislators and hope to get their sentences reduced by cooperating with the authorities.

FBI - Stevens-1165

In disclosing that they intended to bring up Kott's earlier conduct to the jury, government prosecutors said they expected Allen and Smith to testify "to the general scheme to provide Kott with things of value in exchange for securing Kott's agreement to take officials acts to benefit Allen, Smith and Veco."

In one instance, Kott's attorneys said in a court filing last week that Kott was only joking when he asked Veco for help in getting him a job at a prison the company was building in Barbados.

"These Barbados comments are made in jest, and that intent is clear from the context of the conversations, which involved drinking and joking," they said.

And Kott's talk of working as a lobbyist for Veco -- a discussion he held while still in office -- were "off-hand, brief, and are absolutely devoid of any details or even specific requests to be Veco's lobbyist or a specific promise to be hired as Veco's lobbyist," his lawyers said.

194A-AN-13620-M;510

Weyhrauch, a lawyer, is accused of selling his votes for a 2006 oil-industry tax bill in return for a promise of legal work after the regular legislative session. The government said Weyhrauch should have disclosed his negotiations for work with Allen and Smith.

But Weyhrauch's attorneys said he had no duty to disclose under state law or House rules.

Kott's lawyers said as much and asserted that it's the normal House practice to require members to vote even if they have a conflict of interest. That negates the need for disclosure, they said.

Government lawyers said that position is nonsense.

"Each member of the Alaska State Legislature has an inherent duty to the public of the State of Alaska to conduct their dealings free of conflicts of interest," prosecutors said in a memorandum filed Saturday. "The existence of this duty is intrinsic to a public official's obligation to conduct his or her affairs free of improper influences." State law requires legislators to not only avoid conflicts of interest, but even the appearance of a conflict, they wrote.

Weyhrauch appeared to understand that duty, the prosecutors said, because he disclosed other conflicts even if he failed to disclose his job solicitation from Veco.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

INSIDE

LAWMAKER ON TAPE: Recordings by the FBI used to convict former legislator Tom Anderson.

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LOAD-DATE: September 4, 2007

LANGUAGE: ENGLISH

GRAPHIC: CHRIS MILLER / The Associated Press
Former Eagle River lawmaker Pete Kott is led out of court following his arraignment in Juneau last spring. Kott and Bruce Weyhrauch of Juneau have pleaded not guilty to federal charges.

DOCUMENT-TYPE: Staff

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FBI - Stevens-1166

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

August 31, 2007 Friday
FINAL EDITION

Craig opposed Stevens' investigation;
'GESTAPO-LIKE': Idaho senator blasted the FBI on same day he pleaded guilty to lewd conduct.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 616 words

DATELINE: WASHINGTON -

In the days following a high-profile FBI raid on the home of Alaska Sen. Ted Stevens, Idaho Sen. Larry Craig was among the sharpest defenders of his embattled Alaska colleague.

In comments to reporters in the Capitol on Aug. 1, the Idaho senator criticized the FBI for "Gestapo-like" tactics and expressed sympathy for the position Stevens found himself in.

"I think some people say, 'Ah, there but for the grace of God go I,' " Craig told the Capitol Hill newspaper, the Politico.

Since news broke Monday of Craig's June 11 arrest for lewd conduct in a men's restroom of the Minneapolis airport, the three-term Republican senator has been increasingly under pressure to resign his seat. Top Republicans, including President Bush, have expressed their disappointment in him, and some fellow GOP senators have called for him to step down.

In his Aug. 1 comments about his Alaska colleague, Craig went on to say that he was disturbed by the idea of an FBI raid on the home of a sitting U.S. senator, and he criticized federal agents for using a locksmith to break into the home when Stevens had reportedly offered them a key. Craig said he thought it was "gamesmanship" done for the benefit of television cameras.

"That makes senators very, very angry when they attempt to cooperate when ... they are caught in these webs and yet they are denied that for the sake of the judiciary's publicity," Craig said, according to Politico.

He added, "it would be very intimidating if I was under investigation and handed the FBI a key, and then TV cameras and newspeople (showed up). That is very intimidating."

What makes Craig's comments striking is their timing - especially with the perspective of hindsight. They came Aug. 1, the same day he signed and dated a plea agreement saying he was guilty of disorderly conduct for making sexual advances to an undercover police officer in a Minneapolis airport bathroom. The plea was dropped into the mail and filed with court officials Aug. 8.

Craig's office did not return phone calls or e-mails Thursday requesting clarification of his Aug. 1 remarks.

Craig, who has long stood with Stevens in support of drilling in the Arctic National Wildlife Refuge, was one of the few Republicans to be openly supportive of -- and sympathetic to -- the Alaska senator. Sen. Trent Lott, R-Miss., offered support for the Senate's longest-serving Republican, but Senate Minority Leader Mitch McConnell, R-Ky., took a more measured, cautious approach when asked how he would handle the fallout from the Stevens raid.

In all the noise surrounding the raid on Stevens' home, Craig's comments were largely ignored. However, they were picked up by Fox News, and Stevens' fellow Alaskan in the Senate, Lisa Murkowski, also questioned the timing of the raid.

Thursday, Murkowski echoed other Republicans who have called Craig's arrest and guilty plea a disappointment. But Murkowski, in Alaska with Education Secretary Margaret Spellings, stopped short of calling for Craig's resignation, and said she thought it was appropriate that the matter be handled by the Senate Ethics committee. Craig campaigned for her in 2004 in Alaska.

"The fact that he pled guilty to a crime causes me great concern," Murkowski said. "I'm really just sick about this news."

Stevens, who has refused to address questions about his own investigation, has been silent on Craig's situation. Thursday, as he was traveling in remote western Alaska near Shishmaref, he told The Associated Press that he had spoken to his attorneys about it, "and they advise I make no comments about any investigations right now."

Daily News reporter Megan Holland in Anchorage contributed to this report.

LOAD-DATE: August 31, 2007

LANGUAGE: ENGLISH

GRAPHIC: Sen. Larry Craig, R-Idaho

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1168

NewsBank inc America's Newspapers

Paper: Anchorage Daily News (AK)
Title: Palin foresees positive changes in Alaska politics -
PART ONE OF THREE
Q&A
Date: September 2, 2007

On Aug. 22, 2006, Sarah Palin shocked the Republican Party establishment with a crushing primary victory over incumbent Gov. Frank Murkowski and former state Sen. John Binkley. She went on to win the governor's race in November by a comfortable margin and, according to polls, has grown even more popular with Alaskans during her first year in office.

A year after that primary victory, Gov. Palin sat down with Daily News reporter Tom Kizzia to talk about some of the biggest issues of her first nine months in office, including the ongoing federal corruption investigation and next month's special session to reconsider the state's new oil tax.

Featured today: Her thoughts on the political corruption investigation and the changes to the system she says will be necessary to chart a different course for the state. The governor's comments have been lightly edited for space and repetition. The complete audio is available on adn.com.

ADN: How do you feel about how the FBI investigations are going now? You had a lot to say in May when the indictments came out. Now the investigation is veering toward the congressional delegation and could affect how Alaska does business. ... Does that make you uneasy?

PALIN: I am not scared of the changes that I believe are inevitable in terms of leadership that has represented the state of Alaska for all of these years because the change is inevitable.

Whether the FBI reveals something that leads to change, or just the changes in power in Congress ... or individuals maybe choosing not to run for re-election, age even of our politicians playing a part in this, change is coming to Alaska.

So I am not afraid of that and I don't want Alaskans to be afraid of what is coming. ... There are many positives that are going to result from change if we are in the right mind-set. ...

My interpretation of it is that Alaska has got to change its image. ... We need to be taken seriously so that we are given more credence and more authority here and we are provided more opportunities to develop our state. The only way that we are going to be able to gain the trust of the rest of the United States ... is to prove that we can do things right and honestly and transparently and Sen. Stevens knows that has been my message.

ADN: Transparency in government. Are you talking about self-sufficiency as well?

PALIN: I go back again to remembering when we became a state where we struck the deals with the federal government as we asked to be let into the union and the promise on our part was that we would be as self-sufficient as possible.

We wouldn't solely be reliant on the federal government to pay our bills, to provide services and build our projects here, and we become self-sufficient by developing our resources because we are so wealthy in terms of the resource that we have here, but into -- a large part here, we are not allowed to develop those resources and I think a lot of that has to do with others who are making decisions for us, looking at us like, 'We don't believe that their oversight is going to be strong enough for the environment.'

Now, of course, they are saying, 'We believe that there is corruption up there, so we can't trust Alaska to know how to do the right thing.' All of these things that are kind of elements right now in play, we have to be more responsible and more sensible than ever. This state government, our administration, has to prove to the rest of the United States that we can do things right.

ADN: Well, talk about dependence on the federal government, I think a lot of Alaskans have probably asked themselves why these investigations had to be carried out by the federal Justice Department.

PALIN: Yes.

FBI - Stevens-1169

194A-AN-13620-M;51b

ADN: Is the state capable of policing political corruption here or is it too tied up in its own system? Can voters have any confidence that any future transgressions can be handled by the state?

PALIN: That's a great question, and I am one of those who had asked why did it take the feds to come in here over the last couple of years and start digging into the issues that had been speculated about and rumored about?

Why couldn't the state police each other? Why couldn't the Legislature and legislators police one another? Why couldn't APOC (the Alaska Public Offices Commission) -- why didn't they have an investigator? All these tools that we are missing in the state's toolbox to clean up what was rumored to be corruption and undue influence, and I still don't have the answer as to why it was that the state had to rely on the feds again to come in and clean things up. But what we have done to change that though, with APOC, we funded them an investigator.

They need to have one with oversight of the oil industry. We just funded a five million-dollar new office, the PSIO office (Petroleum Systems Integrity Office) where we will have an integrity office overseeing the regulatory environment, even, of oil and gas development in the state. ...

We are going to put our money where our mouth is that we are going to be able to prove that our commitment is to do things right.

ADN: Is the investigator going to do it for APOC? Or does more change need to be made there in the election supervision?

PALIN: Well, an investigator is a good first step. Greater communication with APOC will be able to tell us what else is missing. And then those things that make sense to this administration to add to the toolbox.

We have got to go above and beyond with oversight. We have to make sure that the public is going to be able to trust that state government is making decisions in the people's best interest and we have got a lot of ground to make up.

ADN: Payoffs to legislators goes beyond just campaign finance investigations. That takes some serious digging for the Department of Law or the State Troopers or whomever. It would go beyond APOC.

PALIN: Well, right, and that obviously is why the FBI and Department of Justice, other entities with much greater resources than any state agency, had to come in. But also, I think the FBI's role in this and Department of Justice is an indication that the problems are greater than just maybe a local legislator pocketing a few thousand dollars to change a vote on something.

Evidently, it is more serious than what has been revealed thus far. Of course, not being privy to all of the information, I can't prejudge what any kind of outcome is going to be when more of the trials begin and I can't assume that the period of indictments is over. I think that there will probably be more.

ADN: In May, Attorney General (Talis) Colberg said the state was going to pursue its own investigation of things related, issues related to those Veco confessions. Is that still going ahead?

PALIN: Well, to the degree that we cannot step on the FBI's toes or get in the way of their investigation, our focus has been on what kind of undue influence was either impacting or coming from the administration? They are the ones who proposed the new oil tax regime, remember? And nobody is really asking well, what did Jim Clark (Murkowski's chief of staff) have to do with this? What did Murkowski have to do with all of this?

It's been our role and some of my assistants' roles who were here before to start getting in there and figuring out what was the motivation behind these proposals to change an oil tax. That is still being gathered. ... FBI - Stevens-1170

ADN: Have the feds been looking at the previous administration's motives?

PALIN: I can't tell. We can't tell.

ADN: You can't say or you can't ...

PALIN: I can't prove that they have been doing that, except that they have conducted some interviews. They have interviewed, for instance, Joe Balash, my assistant on the oil and gas issues and Joe had been working for a legislator in the past and it sounds to me like the questions may have had to do with what was the administration's role. But that's something that we, you know, again, I am not privy to and we haven't heard or seen publicly what aspect of the administration's past actions are being questioned.

ADN: Some Alaskans have, you know, defended Ted Stevens and Lisa Murkowski in particular, saying it is only natural in a small state for a politician to have prominent friends and even enter business relations with them. What do you think? Where should public figures, political figures draw the line?

PALIN: Well, maybe that is commonplace in a former smaller world of politicians in Alaska, but that is not commonplace in my world to be presented, you know, maybe amazing or even outlandish investment opportunities that turn us into rich individuals. ...

I am not buddies with Bob Penney. I don't go to that Kenai classic fishery thing, you know, I don't go hunting and fishing with Bill Allen. That's not my world. So my perspective is, I guess this new leadership team, we wouldn't be tempted to become part of that world because that is not where we came from. I'm not enticed at all or excited about the idea of hooking up with some of the characters in the past that now are in trouble.

ADN: Do you think if they had adhered to a brighter line that they could have avoided some of this trouble?

PALIN: I think everyone has that individual and personal ethical compass within and I think that maybe in the past, some individuals, their compass was way off kilter and decisions were made based on a real skewed idea of what ethical activity would be. I am not claiming holier than thou and I am not saying that the people who I hire and surround myself with, that any of us are perfect.

All of us make mistakes ... but as long as I am confident that moral compass is right on target and we are not going to be tempted to do anything for self gain then I think that is what is going to best for the progress that we need here in Alaska. I can't say that was the case in the past in Alaskan politics. Obviously it wasn't or we wouldn't have high-ranking CEOs pleading guilty to bribery.

ADN: But I think you are also talking about the activities in the gray area -- the business relationships with, you know, a senator or congressman or a state legislator. Between someone with interests in the public process and the people running the public process.

PALIN: Right. Well, that's why I think we need more real and normal and hardworking and blue-collar Alaskans to want to run for office and serve in these positions that are making decisions.

Again, I will personalize this. I am not from that other world. My dad as a school teacher wasn't a mover and shaker developer making big bucks in the state of Alaska off of property development. My husband isn't that way. I am not raising my kids to be that way.

... If you want to be in public service, it is being willing to serve Alaskans for the right reasons. It is having to have a servant's heart when you come into these positions. It's not to get rich.

TOMORROW: Palin on the Petroleum Profits Tax and the oil industry.

Contact reporter Tom Kizzia at tkizzia@adn.com.

ONLINE: Hear audio excepts of the interview with the governor and see an audio slide show.

PART ONE OF THREE

SLOPE joB: Palin's views on her husband's return to work.

FBI - Stevens-1171

Back Page

TOMORROW: Palin on the Petroleum Profits Tax and the oil industry.

Question and answer
Caption:
Photos by STEPHEN NOWERS / Anchorage Daily News

Gov. Sarah Palin speaks in a recent interview in her office in downtown Anchorage. The bearskin rug on the sofa is a grizzly shot in the Denali Highway country by her father.
Caption:
Photo 6: palin_9_090207.jpg

Graphic 1: QandA_090207.eps

Graphic 2: slideshowIcon_090207.eps

Graphic 3: 30 promo palin_090207.eps

Graphic 4: palin_3_090207.eps

Graphic 5: palin_5_090207.eps

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Author: Tom Kizzia Anchorage Daily News Staff
Section: Main
Page: A1
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FBI - Stevens-1172

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Anchorage Daily News (Alaska)

September 4, 2007 Tuesday
FINAL EDITION

Released Anderson sting tapes unveil the federal case; 'YOU WANT VOTES': Lawmaker knew lobbyist sought more than newsletter.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B2

LENGTH: 506 words

More than a month after former state Rep. Tom Anderson was found guilty of bribery and other corruption charges, the prosecution has released the secretly recorded conversations used to convict him.

A federal jury convicted Anderson, an Anchorage Republican, on July 9 of bribery, extortion, money laundering and conspiracy. Several jurors said afterward that Anderson's own words were the strongest evidence against him.

The Daily News and KTUU Channel 2 sought copies of the recordings and other exhibits during the trial but didn't get them at that time. The news organizations then went to court. Negotiations began with prosecutors. The records were released Aug. 23.

The recordings were made by the FBI. A government witness, former Cornell Cos. consultant Frank Prewitt, wore a wire. The recordings, along with witness testimony, gave jurors a picture of a scheme in which Anderson took bribes to do Cornell's bidding. The plan was for a Cornell Cos. lobbyist, Bill Bobrick, to create a sham political newsletter or Web site that would be used to funnel money to Anderson.

Anderson's sentencing is scheduled for Oct. 2.

Here's a quick guide to some of the key conversations:

JULY 21, 2004

Audio recording. Bobrick and Prewitt meet at Southside Bistro in Anchorage to discuss how to get money to Anderson. In exchange, Anderson would "be our boy in Juneau," Bobrick tells Prewitt.

JULY 28

Video of meeting at the Whale's Tale in the Hotel Captain Cook among Anderson, Prewitt and Bobrick. Anderson's hands are in view. When asked about his credentials to do work for Cornell, the first thing he mentions is that he is a legislator. Jurors asked for the recording to be replayed during their deliberations.

FBI - Stevens-1173

NOV. 16

Video recording of meeting between Anderson and Prewitt in Anderson's legislative office in Anchorage. Anderson acknowledges to Prewitt that he knows Cornell really isn't interested in a political newsletter. "You want votes in the Legislature, I would assume," Anderson says. He also says he doesn't want to split the next payment with Bobrick. They discuss Anderson testifying the next day at a public hearing on a juvenile treatment center that Cornell needed state approval to open.

DEC. 21

Video recording of meeting between Anderson and Prewitt at the Whale's Tale. Prewitt brings two checks, one made out to Anderson's consulting firm directly. "That is perfect," Anderson says.

194A-AN-13620-M;513

FEB. 16, 2005

Video recording of a dinner at the Baranof Hotel in Juneau that includes Prewitt, Anderson and then-state Rep. Lesil McGuire. At the time, McGuire and Anderson were dating. They since have married, and McGuire has been elected to the state Senate. McGuire tells Prewitt, "Don't forget, I'm going to stay right up on you boys" to make sure Cornell offers rehabilitation. At one point, McGuire is distracted by a side conversation. Anderson takes the opportunity to tell Prewitt that McGuire doesn't know about his relationship with Cornell.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

LOAD-DATE: September 4, 2007

LANGUAGE: ENGLISH

GRAPHIC: Anderson

DOCUMENT-TYPE: Staff

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FBI - Stevens-1174

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Anchorage Daily News (Alaska)

September 5, 2007 Wednesday
FINAL EDITION

GOP divides ethics cases of senators;
DAMAGE CONTROL: Craig's case called unlike Stevens', Vitter's.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 420 words

DATELINE: WASHINGTON -

Responding to criticism that GOP senators who've found themselves in trouble this summer have been treated very differently by their peers, the Republican leader of the U.S. Senate outlined why he thinks each should get a "case-by-case" treatment.

U.S. Sen. Larry Craig pleaded guilty after a sex sting in a men's airport bathroom, effectively ending any questions of guilt or innocence, said Sen. Mitch McConnell, the Senate minority leader. Sen. David Vitter, R-La., hasn't been charged with a crime, and wasn't in the Senate when he telephoned the so-called D.C. Madam, McConnell said.

And as far as Sen. Ted Stevens is concerned, McConnell said, the long-serving Alaska Republican "maintains his innocence" in connection with the July 30 raid on his home in Girdwood.

"This had to do with admission of responsibility as opposed to charges or suggestions," McConnell said, in his first remarks about Craig's ouster since the Idaho Republican announced Saturday he would step down.

Eager to avoid being tagged as the party with the most ethical problems, Republicans acted quickly last week to encourage Craig to resign. Yet many have questioned why Stevens -- who is under investigation but hasn't been charged with any crime -- has not faced any official rebuke by his peers.

"There's a substantial difference between a conclusion to a matter and allegations that are being denied or behavior that occurred before you ever came to the Senate," McConnell said.

McConnell did not mention any of the senators by name, but it was clear which ones he was talking about during a press conference Tuesday to outline his party's agenda following Congress's summer recess.

Stevens continued his policy of avoiding any comment connected to the investigation or the raid on his home.

"We're not going to comment at all on Sen. McConnell's press conference," said spokesman Steve Wackowski.

Federal investigators and grand juries in Anchorage and Washington, D.C., have been seeking information about renovations to Stevens' Girdwood home. The project more than doubled the size of the house and was overseen by oil services company Veco Corp. CEO Bill Allen. In May, Allen pleaded guilty to bribing state lawmakers and agreed to cooperate with authorities in further corruption probes. Veco vice president Richard Smith has also pleaded guilty to identical charges. Allen and Smith resigned from Veco.

The FBI also is investigating the National Science Foundation's award of $170 million in contracts to the company.

LOAD-DATE: September 5, 2007

LANGUAGE: ENGLISH

GRAPHIC: Stevens

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1176

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 6, 2007 Thursday
FINAL EDITION

Corruption trials divided;
Kott's hearing continues, but Weyhrauch's stalls on federal appeal

BYLINE: By RICHARD MAUER and LISA DEMER Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1034 words

A federal judge Wednesday ordered separate trials for two former Republican legislators to allow jury selection for one to move forward while the government appeals an earlier ruling favoring the other.

The decision on the one-time co-defendants means the bribery, extortion, fraud and conspiracy case against Pete Kott, the former House speaker, will go ahead with opening arguments scheduled for Monday. Jury selection started at midmorning Wednesday and will continue today.

But the trial of Bruce Weyhrauch, a former representative from Juneau, will await the outcome of the government's bid to the 9th U.S. Circuit Court of Appeals in San Francisco, and perhaps longer. Weyhrauch's attorney, Doug Pope, said he'd try to take the case to the U.S. Supreme Court if the 9th Circuit reverses the decision in Anchorage.

U.S. District Judge John Sedwick made his ruling on separating the trials in a hastily called hearing that began at 8 a.m. Wednesday, just before jury selection was to begin. With more than 80 potential jurors from around Southcentral Alaska cloistered in a meeting room across the lobby and down a hall, Nicholas Marsh, a trial attorney from the Justice Department's Public Integrity Section, told Sedwick that his superiors in Washington agreed that an appeal of an earlier ruling was justified.

They are challenging a ruling by Sedwick on Tuesday that said the government couldn't present evidence that Weyhrauch and Kott were duty-bound to report they were seeking employment with Veco, the politically active oil-field service company, in 2006, when they were voting on oil-tax legislation heavily lobbied by Veco's chair, Bill Allen. Sedwick held that state law had no such requirement.

In the Wednesday morning hearing, Marsh told Sedwick the government still had ample evidence against Kott and was prepared to go to trial. But for Weyhrauch, a lawyer who never landed the Veco job, the evidence is crucial, Marsh said.

At issue is whether Weyhrauch used mail fraud to cheat Alaskans of honest services as a state legislator. Pope said Weyhrauch did nothing wrong in sending a personal advertisement for legal services to Veco.

With the trial set to begin, expenses for lawyers and the court adding up, and potential jurors cooling their heels, Marsh proposed that Sedwick revisit a request made in August by Weyhrauch's attorneys to split the trial. At the time, Pope argued that the stronger evidence against Kott could prejudice the jury against his client. The government opposed the motion then, and the judge kept the defendants together.

But now, Pope told Sedwick, the situation has changed. He was fully prepared to go to trial. It would be an undue financial and emotional burden on Weyhrauch and his family to delay any longer. He argued the government's points of appeal were thin and unlikely to succeed.

But Sedwick said federal appeals courts around the country were split on the disclosure issue, while the all-important 9th Circuit, governing courts in Alaska, "hasn't spoken." Sedwick said he followed a line of reasoning adopted by the 5th Circuit in New Orleans.

Jim Wendt, Kott's attorney, opposed the split, mainly because he had prepared a case theory and line of questioning for witnesses based on having a co-defendant. The government agreed to delay opening arguments until Monday, and promised to tell him by Friday whether Allen and former Veco vice president Rick Smith would be called to testify and to reveal the approximate place in the trial they would take the stand.

Following a 90-minute recess to review the law and rulings in related cases, Sedwick called the parties back to his courtroom and announced he would split up the co-defendants so the government could pursue the appeal. He said the government clearly had that right.

After packing up boxes of documents on a cart and clearing the courthouse, Pope stopped to talk with reporters and expressed outrage at the government. He said prosecutors realized late in the pretrial phase that their case was weak and responded by inventing a new case theory that relied on an improper application of federal law.

He said Weyhrauch's day in court may be delayed for more than a year by the appeal.

Marsh said it would be inappropriate to comment on Pope's out-of-court criticism.

Back in the courtroom, potential jurors began filing in to be questioned about their knowledge of the now-smaller case. The lawyers on both sides introduced themselves, and so did Kott, who represented Eagle River in the House.

"I'm Pete Kott, and I'm the defendant in the case," he said, smiling at the packed room of jurors.

Most of those with strong opinions already had been weeded out through written questionnaires.

Sedwick, and sometimes the lawyers, asked detailed questions of about half those remaining on Wednesday to determine whether any were too biased to be fair jurors or had other reasons not to serve.

One had just landed her first full-time job in a year, so she was allowed to go home. A couple of people had medical issues. One is leaving Alaska this month. Another is married to a former contract manager at BP and socialized with Allen. All left the courtroom.

Some were close calls. One man told the judge he thought he could be fair "for the most part." When Sedwick pressed him, he said part of him struggled with the politics of oil in Alaska. The judge sent him home.

While a number of the prospective jurors had a general idea that the matter before them was a bribery case, some said they didn't pay attention to politics. Others followed the political corruption cases closely. Some told the judge they were most interested in trouble faced by U.S. Sen. Ted Stevens and his son, former state Senate President Ben Stevens. Neither has been charged with a crime, but Ben Stevens is accused of being part of a conspiracy that included Kott, Weyhrauch, Allen and Smith.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

ONLINE: Read transcripts of conversations between Kott and ex-Veco executives. The documents contain coarse language. Also, check out video and audio surveillance evidence from the trial of former Rep. Tom Anderson.

adn.com/corruption

LOAD-DATE: September 6, 2007

LANGUAGE: ENGLISH

GRAPHIC: BILL ROTH / Anchorage Daily News
Former Rep. Pete Kott, center, flanked by attorneys, leaves the coffee shop in the Federal Building and U.S. Courthouse in Anchorage during a pause in his corruption trial on Wednesday. The bribery, extortion, fraud and conspiracy case against Kott, the former House speaker, will go ahead with opening arguments scheduled now for Monday.
Former Rep, Bruce Weyhrauch was accompanied by his wife, LuAnn, in the Federal Building and U.S. Courthouse in Anchorage on Wednesday. His lawyer said Weyhrauch's day in court may be delayed for more than a year by the appeal.

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 7, 2007 Friday
FINAL EDITION

Palin oil tax gets cold shoulder;
PPT: No special session needed, says the resource association head.

BYLINE: The Associated Press

SECTION: ALASKA; Pg. B1

LENGTH: 459 words

DATELINE: FAIRBANKS -

The head of the Alaska Oil and Gas Association presented Gov. Sarah Palin with a long list of concerns regarding her new oil tax proposal.

Marilyn Crockett said this week that the proposal could decrease investment in the state by raising the tax burden on companies.

Crockett also said it would replace a tax that isn't broken and has not yet had a chance to work.

"The industry does not want to have a special session," she told members of the Alaska Support Industry Alliance at a luncheon in Fairbanks.

Other members of the oil and gas association, which include Exxon Mobil, BP and Conoco Phillips, also expressed their reservations about Palin's proposal.

"We agree with the governor's approach to stay with a PPT-based tax structure; however, we are concerned that the tax rates proposed will make every single project look less attractive for us to reinvest," Kevin Mitchell, vice president of finance and administration for Conoco Phillips, wrote in an e-mail to the Fairbanks Daily News-Miner.

Palin this week restated her intention to call a special legislative session next month to revisit the oil production tax passed last summer. She also presented an outline for a new tax that would increase the tax rate.

Palin said the current petroleum profits tax, or PPT, "isn't working as promised."

Revenue Commissioner Pat Galvin has said that revenues from the PPT will likely come in a little short of expectations in the fiscal year that just ended and very short of expectations next year.

FBI - Stevens-1179

Instead of bringing in an additional $1 billion over the old tax system, the PPT will likely bring in about $250 million more in fiscal year 2008, according to department figures.

Crockett pointed to fiscal year 2007, in which the new tax is expected to add about $1 billion in state revenues over the old tax.

"Is PPT working? I would say that it is," she said.

Galvin said Wednesday that cost increases faced by the companies explain the reduced revenue estimates.

Capital costs are now expected to be about 50 percent higher in fiscal year 2007 than was thought when the PPT was passed, and about 100 percent higher in fiscal year 2008, he said.

194A-AN-13620-M;516

The PPT allows companies to deduct operating and capital costs and receive credits on certain capital costs.

Crockett encouraged the state to look at how to encourage companies to invest in the state and keep production levels up, ensuring future tax revenues as well as revenues from royalties and property and corporate taxes.

"What we need to be focusing on is keeping that pipeline full," she said.

Oil production has dropped from a peak of more than 2 million barrels a day to less than 800,000 barrels a day, she said, and maintaining production levels will require significant new investment.

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 8, 2007 Saturday
FINAL EDITION

Picking a jury is art, not science;
KOTT: Certain qualities sought in jurors for ex-lawmaker's trial.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 722 words

When lawyers picked a jury on Friday to hear the public corruption trial of former state Rep. Pete Kott, they really were deciding who they didn't want on the case.

That's the way it is in jury selection. Prosecutors and defense lawyers rule out who they don't want in a process that's more art than science. At the end of the process, the ones left decide guilt or innocence. To hear Kott's case, U.S. District Judge John Sedwick swore in a jury of 10 women and two men, plus four alternates, just before noon, then sent them home for the weekend.

Those picked include a custodian at Stevens International Airport, a refinery worker from the Kenai Peninsula, and a recent high school graduate who works at Title Wave Books in Anchorage. There's a nurse and a retired teacher; a state health program manager and a state right of way agent.

Eight of the 12 regular jurors live in Anchorage. One is from Eagle River, which Kott represented in the Legislature. One is from Nikiski, another from Kenai. The last is from Kodiak and has a talk show on public radio there.

When it came to excluding potential jurors, prosecutors bumped six, including a Teamster's clerk and an Anchorage real estate agent. The defense didn't want an IRS agent or a former federal biologist, two of the 11 it struck from the pool.

The federal prosecutors trying the case wouldn't talk about how they made their picks.

Defense lawyer Jim Wendt said he was looking for jurors who seemed open as they answered questions posed by Sedwick and the lawyers.

Jury selection stretched over three days. Much of the time was spent questioning jurors one by one on whether they had been influenced by extensive publicity about the corruption investigation.

Many lawyers say that who is on the jury matters immensely.

FBI - Stevens-1181

Lawyers must try to figure out what potential jurors are really like, based on very little information. They may pick people based on basic categories such as gender, job, education or age. Some go through great efforts -- polling the community or hiring body language experts. But in the end, jurors aren't easy to predict.

"Except at the outer fringes, I really think that people are more complicated and more layered and more like onions than we tend to assume," said Jeff Feldman, an Anchorage criminal defense lawyer who has picked hundreds of jurors over more than three decades.

He remembers one juror who scowled at him throughout the trial, but ended up voting his client's way.

"The more I've done it, the less I know about how it really happens," Feldman said.

What most lawyers do, whether they know it or not, is look for jurors who trigger a certain feeling. "I smile at you, who don't give a bad

vibe," he said.

As prospective jurors in the Kott case filed into theater-like rows of chairs, the lawyers studied their faces.

"We're looking for people that we like. We're looking for people that we don't have to prod to answer questions," Wendt said during a break in the selection process earlier this week. But, he said, he wasn't looking for any particular type in terms of age, gender or background.

Dan Hickey, a former chief prosecutor for the state, said prosecutors want people used to making decisions, people who seem conservative. Business people are good.

Defense lawyers look for people more understanding of human nature. High school teachers especially are thought of as being good because they put up with so much, said Hickey, who led the team that prosecuted two state senators in the 1980s on corruption charges.

The prosecution also wants a strong leader or two, someone who can guide the others through the evidence during deliberations. But not more. "That's a recipe for a hung jury," Hickey said.

Kott is accused of taking bribes from and conspiring with executives of oil field services company Veco Corp. Prosecutors accuse him of pushing a version of a new oil tax favored by Veco through the Legislature.

Opening arguments in the federal case will take place Monday morning.

Among the expected government witnesses: former Veco chief executive Bill Allen and vice president Rick Smith. Based on a rough schedule provided by prosecutors, Wendt said he anticipates Smith taking the stand Wednesday at the earliest, and Allen to follow.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 8, 2007 Saturday
FINAL EDITION

Oil firm Veco is history;
SIGN COMES DOWN: Company was linked to corruption probe.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: ALASKA; Pg. B1

FBI - Stevens-1183

LENGTH: 742 words

Colorado-based CH2M Hill on Friday took over scandal-ridden Veco Corp., the Anchorage oil field services and construction company whose former executives pleaded guilty this spring to bribing state legislators.

CH2M Hill decided not to keep the name Veco for what is now a part of the Colorado firm's energy systems group, and cranes removed Veco signs from the company's East 36th Avenue offices Friday afternoon

The former Veco businesses will generally operate under the CH2M Hill name .

"It's a new day, a new future," said CH2M Hill spokesman John Corsi.

Veco had been one of the largest companies in Alaska with about 2,000 employees in the state and a similar number in operations that span the globe.

Corsi said the purchase includes all core operations, people and projects from the former Veco. CH2M Hill said it did not have a breakdown Friday on what was not included in the sale. But Corsi described the assets left on the table as minimal.

"The short answer is essentially all the operational assets are coming, such as the North Slope, Kenai Peninsula, the fabrication shops, Calgary, Bellingham and so on," Corsi said in an e-mail. "There are some non-core businesses that aren't included. However, the last couple days have been so busy getting the deal done, I just don't have those details right now."

Corsi said the Veco assets were valued at $463 million. The final tally of the sale will come in at slightly less than that, he said.

One former Veco operation not part of the sale is the Voice of the Times, the Web site successor to the conservative half-page editorial section that appeared in the Daily News for 15 years. The site will continue as part of a holding company owned by the Allen family but hopes to become a financially self-sufficient operation, according to Voice of the Times editor Tom Brennan.

Veco's former chief executive Bill Allen and former vice president Rick Smith pleaded guilty to federal conspiracy and bribery in the ongoing political corruption investigation in Alaska. Allen, who helped build Veco starting in 1969, admitted to bribing state lawmakers for their votes or influence on legislation important to the oil industry.

Tammy Kerrigan, Allen's daughter, took over as Veco chairwoman in May after her father pleaded guilty and stepped down from his corporate posts.

"The Allen family is pleased that Veco's legacy of hard work, client service and professional excellence will continue with this acquisition," Kerrigan said in a news release. She is leaving the company. Garry Higdem, a CH2M Hill executive, will lead the former Veco.

CH2M Hill, based in the Denver suburb of Englewood, is an employee-owned company. It has about 19,000 workers engaged in engineering, construction, transportation and environmental services projects around the world. Projects include managing expansion of the Panama Canal and venue construction for the 2012 London Olympic games. The company had revenues of about $4.5 billion last year.

194A-AN-13620-M-518

Corsi said buying Veco fits in with his company's strategic plan by making it a bigger global player in energy industries. He said CH2M Hill has long been interested in Veco.

"The people are great, the reputation is great, they have an outstanding track record for client service," he said.

He said CH2M Hill will keep the former Veco's operations going pretty much as they have been. There are no shake-ups in management or elsewhere in the company planned., Corsi said.

Veco is heavily involved in oil field services and construction on the North Slope, and also has projects in the Lower 48, Canada, Barbados, Russia's Sakhalin Island and the Middle East. The company had annual revenue reaching $1 billion, according to Veco executives.

BP, which operates Prudhoe Bay, is one of Veco's major customers.

"They do a good job supporting oil production and we're looking forward to continuing our strong relationship," said Daren Beaudo, a spokesman for BP Alaska.

Corsi said Veco's existing contracts are expected to continue under CH2M Hill. That includes a contract with the National Science Foundation to provide logistics and support for polar research. The FBI is investigating the award of that contract and is looking into connections between Veco and U.S. Sen. Ted Stevens. Then-Veco chief executive Allen in 2000 oversaw renovations to Stevens' Girdwood home, the scene of a July 30 FBI raid.

Find Sean Cockerham online at adn.com/contact/scockerham

LOAD-DATE: September 11, 2007

LANGUAGE: ENGLISH

GRAPHIC: Photos by MARC LESTER / Anchorage Daily News
A Veco sign is removed by a crew from Glacier Sign and Lighting from the building at 949 E. 36th Ave. on Friday afternoon. CH2M Hill announced Friday that its acquisition of Veco was finalized.
A crowd gathers outside the former Veco building to watch the Veco signs being removed Friday.

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2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

September 11, 2007 Tuesday
FINAL EDITION

FBI - Stevens-1185

Bribe trial features Kott calls;
TESTIMONY BEGINS: Public betrayed, prosecutor says; defense touts pipeline effort.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1214 words

In a series of secretly recorded telephone calls, former state Rep. Pete Kott joked with Veco executives about drinking and women, but assured them he was serious about one thing: getting a gas pipeline.

"I'm going to get this f-----g gas line done so I can get out of here," Kott told former Veco chief executive Bill Allen in a Jan. 10, 2006, cell phone conversation.

Testimony began Monday in Kott's public corruption trial.

Jurors heard recordings of nine telephone calls and watched one videotaped meeting between Allen and former Veco vice president Rick Smith.

In his opening statement, prosecutor Nicholas Marsh told jurors that Kott betrayed the public trust and sold his legislative office to oil field services company Veco. In return for money and job promises, he pushed an oil tax favored by the industry.

Kott even says on one of the tapes, "I sold my soul to the devil," Marsh said.

Kott's own words will be used against him, Marsh said. It's the same tactic prosecutors used to convict former Rep. Tom Anderson in July of seven federal corruption charges.

But the defense told jurors the government twisted the facts. Kott was just a blue collar Republican working hard to get what most Alaskans wanted, a gas pipeline, said Jim Wendt, one of Kott's defense lawyers.

There's nothing illegal about working with lobbyists or others toward a shared goal, and that's all Kott was doing, Wendt said. "If he is guilty of anything, he is guilty of working to get a pipeline."

Marsh warned jurors they would hear "downright offensive" language. But Wendt said it was just "down-to-earth talk."

An FBI agent from Cincinnati, Steve Dunphy, who monitored and recorded some of the action in Suite 604 of Juneau's Baranof hotel, testified all afternoon about various recordings. Dunphy said he volunteered after a request for help with the Alaska investigation went out agencywide.

The listening began with a wiretap on Smith's cell phone in September 2005 and branched out from there to wiretaps on Allen's cell and home phones, and then the bug planted in the Baranof suite, Dunphy testified.

In various phone calls played for the jury, Kott's familiarity with Allen and Smith is remarkable. He calls them Uncle Bill and Uncle Rick. He sounds tipsy at times. Several times, Kott brings up the idea of working as warden at a prison in Barbados that Veco was building.

"I just wanna be a warden," Kott tells Smith in a Sept. 29, 2005, telephone call.

194A-AN-13620-M; 519

Wendt told jurors in his opening statement that the Barbados prison gig was a running joke with Kott, that he had heard about topless women on beaches there. But Marsh told jurors that even if Kott was kidding about the warden's post, he clearly wanted a job with Veco when his work in the Legislature was done.

As the 2006 legislative session got under way, Kott fretted to Allen on the phone that things weren't going well and Allen needed to get to Juneau.

Allen made it clear that he thought little of House Speaker John Harris, who won the post in 2005 after Kott was ousted in an internal coup.

"About the only ones that I can trust is you and ol' Ben Stevens," Allen tells Kott in a Jan. 10, 2006 call. Stevens is the former state Senate president. He hasn't been charged.

In one lengthy call between Allen and Smith on Feb. 20, 2006, Allen goes on a tirade about Veco's new young lobbyist, Kris Knauss. Allen was angry that Knauss was using Allen's own well-cultivated influence with Kott as if it were his own, turning it to his advantage with Gov. Frank Murkowski's chief of staff, Jim Clark.

"Well f---. I put more money into Pete Kott than he's ever even thought about," Allen sputtered at one point.

In a March 4, 2006, videotaped conversation in Suite 604, Allen and Smith said they would do whatever they needed to get the pipeline and an oil tax favored by the industry through the Legislature. Smith said they may need to "get dirty."

The room is dimly lit and it's hard to make out their faces. But their voices are clear.

"They got dirty and they crossed the line," Marsh told jurors.

Later in the conversation -- in a part not played in court but discussed by lawyers and the judge -- the topic turned to a faltering effort at the time to sell Veco to an Australian firm. Allen was upset because former Veco president Pete Leathard had apparently boasted to the Australians that Veco was in the business of bribing state legislators.

U.S. District Judge John Sedwick agreed with prosecutors that only a portion of the conversation needed to be played for jurors.

In the same conversation, Allen told Smith that Veco's clients need to know what it's doing in Juneau to pressure legislators. He refers to "the big wheels" with BP and Exxon and more.

The case against Kott is the first to go to trial involving Veco, a company that was hugely influential in Juneau for many years. Allen and Smith have both pleaded guilty to bribery and other charges and resigned their positions with Veco.

As of Friday, Veco no longer exists. It's been sold to the Colorado-based engineering firm CH2M Hill.

Kott, a former house speaker from Eagle River who served 14 years in the Legislature, is being tried on charges of bribery, conspiracy, extortion and wire fraud.

Several dozen people gathered in the federal courtroom for opening statements, including defense lawyers, prosecutors, FBI agents and news reporters, but the crowd cleared out by the afternoon. Whistleblower Ray Metcalfe stayed.

FBI - Stevens-1186

Marsh told jurors that Kott, who ran a hardwood flooring business, is accused of accepting money or things of value three times from Veco executives, plus the promise of a job. The specific accusations, as laid out by Marsh:

* Kott, in need of cash during his 2006 campaign, sent Allen a fake bill for an extra $7,993 in flooring work.

* Veco paid $2,750 for a political poll by David Dittman to see how Kott was faring with voters during the campaign. Kott lost in the primary.

* Kott accepted $1,000 from Allen to reimburse Kott for a contribution he made to then-Gov. Frank Murkowski's re-election bid.

All of that is misconstrued or overblown, Wendt told jurors. Kott received no personal benefit from any of it, the defense lawyer said. He didn't even know about the poll beforehand.

The only thing Kott did wrong was accept the $1,000, but that was just to reimburse him for the contribution, Wendt said.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

AUDIO: Listen to the opening statements from Kott's trial at

adn.com/corruption

The trial of former Eagle River Rep. Pete Kott is part of a broad investigation into public corruption focused on state and federal officials, lobbyists and others. The investigation is being led by the FBI and Department of Justice and has resulted in charges against four former state legislators, two former executives of the Veco Corp., and a lobbyist for a private prison company.

Kott is charged with bribery, conspiracy, extortion and wire fraud for taking money and the promise of a job from Veco executives for supporting an oil tax measure favored by the petroleum industry.

For more on the corruption investigation, including an interactive timeline and overview, go online to adn.com/news/politics/fbi.

The Alaska political corruption investigation

LOAD-DATE: September 11, 2007

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GRAPHIC: Kott
BILL ROTH / Anchorage Daily News
Former House Speaker Pete Kott, left, arrives at the Federal Building and U.S. Courthouse on Monday morning with daughter Pamela Kott on the first day of his trial for bribery, extortion, fraud and conspiracy.

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<<Back



Anderson wants sentencing delayed

by Jason Moore
Wednesday, Sept. 12, 2007

ANCHORAGE, Alaska -- Former lawmaker Tom Anderson, already convicted on bribery and corruption charges, wants to change the day he gets sentenced.

Anderson says he wants his wife, Sen. Lesil McGuire, to be there.

She plans to be out of the country during the first part of October and then in Juneau in time for the start of the special session on the state's oil tax rate.

Anderson wants his sentencing pushed back about two weeks from its Oct. 2 date in order to accommodate her schedule.

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 12, 2007 Wednesday
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FBI - Stevens-1189

Marrs calls suit misguided;
TRIAL: John Ellsworth is accused of misusing millions of dollars.

BYLINE: By ELIZABETH BLUEMINK ebluemink@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 818 words

The former chief executive of Cook Inlet Region Inc. took the witness stand in state court this week to defend an Anchorage contractor accused of illegally taking $40 million from the Native corporation.

Carl Marrs, the former CIRI executive, is a key defense witness for the contractor, John Ellsworth, targeted in the lawsuit filed by the new leaders who took over CIRI, along with its business partner, Nabors Industries of Houston.

Marrs and Ellsworth worked on business deals for about a decade and along the way became close friends -- sharing gifts, drinks and vacations. Ellsworth was his best man at his wedding in 2002, Marrs testified.

The lawsuit against Ellsworth, which lumbered into its seventh week on Monday, has been a costly priority for CIRI's leaders. The Anchorage-based corporation spent more than $2 million just to audit Ellsworth's financial transactions.

CIRI launched the lawsuit -- and some other house-cleaning projects -- after a new set of directors took charge of the company in 2004. Among other things, the new board has demanded a tight rein on lavish spending and risky investments.

The lawsuit, filed in 2005, may even have broader implications beyond CIRI and Nabors' alleged financial losses.

Late last year, federal prosecutors -- simultaneously involved in a political corruption investigation of Alaska politicians -- subpoenaed some of the evidence collected against Ellsworth.

On Monday and Tuesday, plaintiff and defense attorneys quizzed Marrs about his own conduct at CIRI, and his relationship with Ellsworth.

Marrs testified that the lawsuit is misguided, saying that Ellsworth was a reliable business partner and a trusted friend.

But CIRI and Nabors say Ellsworth took millions of dollars he did not deserve, violated corporate agreements and shredded evidence at the construction company they hired him to run, Alaska Interstate Construction.

Ellsworth is countersuing for millions. Among other things, he wants CIRI and Nabors to fork over the money compensating him for his ownership stake in AIC. He's also seeking punitive damages.

CIRI and Nabors each had a 40 percent stake in AIC. When he was ousted in 2005, Ellsworth had a 20 percent stake in AIC -- worth nearly $12 million, according to his attorneys.

Confronted with evidence that Ellsworth overbilled AIC for corporate jet expenses, Marrs told the jury that the charges -- paid to Ellsworth's own company, which leased jets and other equipment -- didn't seem excessive to him.

Ellsworth was given the freedom from CIRI and Nabors to manage AIC "as he saw fit," and as a result, made millions for the two companies, Marrs said. Under Ellsworth, AIC was one of CIRI's most profitable investments, he said.

194A-AN-13620-M:521

An audit by CIRI and Nabors alleges about $40 million in overbilled jet expenses, lost profits from an abandoned Exxon Mobil project in Russia, lost contracts due to illegal competition by Ellsworth after he was terminated, undeserved bonuses, personal credit card charges and other inappropriate costs billed to AIC.

Under cross-examination, Marrs said he never read AIC's business contracts or even its operating agreement -- the basic document that set out how AIC would be governed, and which he himself signed. Sometimes, Marrs testified, he changed contracts by oral agreement with Ellsworth but never put the changes in writing, as the contracts themselves required

Marrs trusted Ellsworth not to hide anything from him, and still does, he testified.

But on Monday and Tuesday, Tim Petumenos, an attorney for CIRI and Nabors, questioned Marrs' loyalty to CIRI. The attorney pointed out that Marrs was supposed to ensure that Ellsworth complied with his duties at AIC.

"I never even perceived the situation that we are in right now," Marrs testified.

"I've always been loyal to CIRI," he added later.

Though he said he hasn't read CIRI and Nabors' audit, Marrs told jurors that he believes that Ellsworth's expensive leases for corporate jets were justified.

Other items -- such as a company-paid ticket to the Superbowl for Randy Pugh, the father of one of Sen. Lisa Murkowski's former staffers -- were legitimate business expenses, he said.

He testified repeatedly that such expenses -- including trips on corporate jets for Sen. Ted Stevens, R-Alaska, and Murkowski, plus AIC-paid trips by Stevens and other politicians, friends and family to a Bristol Bay fishing lodge -- were justified because they help build important relationships.

"You've got to have those relationships to deal in business. It's not just about going out and bidding on contracts. ... You do have to wine and dine people," Marrs said.

After a news query this year about Stevens' stays at the lodge -- a possible Senate ethics breach -- the senator sent checks to CIRI for his 2001 and 2003 expenses at the lodge.

Find Elizabeth Bluemink online at adn.com/contact/ebluemink or call 257-4317.

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LANGUAGE: ENGLISH

GRAPHIC: Photos by BILL ROTH / Anchorage Daily News
Former CIRI chief executive Carl Marrs testified Monday that he gave free rein to ousted Alaska Interstate Construction executive John Ellsworth to run AIC as he saw fit; new Native corporation leaders say Ellsworth threw away $40 million on extravagance and improper expenses.
Defendant John Ellsworth, left, listens to his attorney Paul Stockler as he questions former CIRI chief executive Carl Marrs on Monday. Defense attorney Joseph Sheehan is seated at right.
Anchorage Superior Court Judge Sen Tan presides over the $40 million lawsuit CIRI and partner Nabors Industries of Houston are pursuing against contractor John Ellsworth.

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PUBLICATION-TYPE: Newspaper

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2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

September 13, 2007 Thursday
FINAL EDITION

Allen counted on friend;
He testifies that he gave money, favors to oil-tax ally in Juneau

BYLINE: By RICHARD MAUER and LISA DEMER Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1266 words

More than a year after he emerged as the central figure in the Alaska corruption investigation, former Veco chairman Bill Allen at last took the witness stand Wednesday in the trial of former House speaker Pete Kott and began recounting his version of the last three decades of oil politics.

Along the way Allen, the government's chief witness, told of the money, jobs and favors he dispensed to Kott, a man he described as a friend and reliable ally but who could wind up in prison on Allen's testimony.

As word of Allen's impending visit to the courtroom got around town at lunchtime, the federal courtroom of U.S. District Judge John Sedwick began to fill, eventually drawing more than 60 people. Some were lawyers or paralegals working for other potential defendants or witnesses. The back row held gray-haired remnants of the liberal Democrats who flexed so much power in Juneau in the 1970s before oil-friendly Republicans made them largely irrelevant, while up front sat a conservative talk show host who fought Veco's efforts a few years back to pay for government out of the Permanent Fund. Other spectators just wanted a glimpse of history.

But the real business of the day was what Allen told the jury about Kott, a 14-year veteran of the state House from Eagle River. Allen and one of his vice presidents, Rick Smith, pleaded guilty to bribery and conspiracy and are hoping to get reduced sentences by cooperating with federal authorities.

Over nearly three hours of testimony that will resume this morning, Allen talked about overpaying a flooring job done by Kott by more than $7,000 and of scheming to get at least some of that money to Kott's son so that he could work on Kott's 2006 campaign, when a poll showed he was in surprising trouble. Even the poll itself was secretly paid for by Veco, which if true would be a hidden -- and illegal -- campaign contribution by the company to Kott.

"Why were you trying to get money to Pete Kott for his son's help in the campaign?" asked assistant U.S. Attorney James Goeke.

"He was going to run again and he needed his son to help him," Allen said.

FBI - Stevens-1191

"What would his son be doing otherwise?" asked Goeke.

"A job," Allen said. "He can do the floors as good as Pete."

"So back on July 31, 2006, do you know if Mr. Kott was going to be able to go to work on the campaign and do other work?" continued Goeke.

"He couldn't afford it," said Allen. "He has a family to take care of."

Before announcing he would run again, Kott had been making noises about retiring and had talked with Allen about work. Some of those conversations were recorded by the FBI.

In one such, on June 1, 2006, Kott joked with Allen that he wanted to be warden of the prison Veco was building in Barbados, "especially

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with all the women there on the beach." He said he'd do anything, even pass out beach towels.

Allen testified that he knew Kott was joking about that. But Kott also said on the recording that he wanted to be a lobbyist.

"For Veco?" Goeke asked in court Wednesday.

"Yes," Allen answered.

Veco lobbyists made $6,000 to $12,000 a month, Allen testified. And he would have hired Kott, he said.

But even as he provided the evidence about Kott, and along the way implicated his own company and its executives in an illegal campaign contribution scam, Allen never once acknowledged that a specific action by him or Kott broke the law.

While Allen, 70, has never been shy about appearing at public events and private fundraisers over the last quarter century as his political power grew, he has only rarely engaged in public speaking. His speech has been impaired since 2001 when, riding without a helmet, he crashed his motorcycle. On the witness stand, he said about a quarter of the part of his brain that controls speech died after the accident, and, like some stroke victims, he has trouble picking out words. He also has trouble hearing, and a court headset he wore while testifying proved balky at times.

At one point, he started to describe what the oil companies wanted most out of Juneau, then had to pause.

"Wait, I got to find this word," he said. He closed his eyes, put his head in his hands and worked something over in his mind for what seemed a small eternity while the courtroom, in silence, waited for him to speak.

"Certainty!" he finally exclaimed. "They wanted certainty." In other words, they wanted to be sure that taxes would not be raised before they would agree to build a natural gas pipeline, the thrust of the efforts on the so-called PPT -- petroleum profits tax -- that tied the 2006 Legislature in knots.

Allen took the industry lead in promoting a low profits tax -- a much bigger effort than the producers themselves were making. FBI-intercepted telephone calls and conversations at a hotel suite in Juneau show that Kott and Senate President Ben Stevens were his two most helpful soldiers.

In one conversation from June 8, 2006, played while Allen was on the stand, he recalled a discussion he had with the head of Conoco Phillips in Alaska, Jim Bowles, about the profits tax.

"I said between Pete Kott and Ben ... they won't have, they won't even have their fingerprints on the (bill)." It seemed Allen was referring to the "fingerprints" of the producers, but his remarks were ambiguous enough that they could have been those of Stevens and Kott.

As the tapes were played, Allen testified he had no idea that his phones were taped or that a secret camera had been placed in his hotel suite in Juneau by the FBI under a court order.

"If I knew that, I wouldn't have said all this stuff," Allen said, drawing smiles from the jury and chuckles around the courtroom. He learned he was the target of the Justice Department's Public Integrity Section on Aug. 30, 2006 -- a day before the FBI executed a series of raids on legislative offices.

Allen emerged as one of the industry's biggest promoters in the 1980s, when Veco began a long run as a reliable source of campaign contributions, mainly for Republicans. At the time, Allen testified, his main political hand was the former state senator and trooper head Ed Dankworth, sometimes referred to as the "21st Senator" for his efforts at organizing the Senate into blocs long after he left the body.

Allen said he and Dankworth had a thorough falling-out after he bought the Anchorage Times in 1989. One of his biggest financial supporters in his journalism venture was Chuck Robinson, the long-time executive of the telephone company ACS, Allen said. Dankworth lobbied for ACS' chief rival, GCI, and Dankworth refused Allen's pleas to switch.

"If you can't do that, Dankworth, I don't want you to be with me," Allen recalled telling his onetime friend.

Allen was born in Socorro, N.M., and left for Oregon with his family shortly after World War II, when he was 8 or 9. He missed several years of school while his family followed the fruit crops.

"We were pickers, I guess."

He quit school for good as a high school sophomore, then learned to weld, a skill that brought him to Alaska in 1968. With another oil field worker named Wayne Velti, who founded VE Construction, he worked the Cook Inlet rigs for Arco, eventually taking over the company and shortening its name. In the last few years, it had annual sales of $1 billion and 4,000 employees worldwide, about half in Alaska, he said. Last week, the company was taken over by CH2M Hill.

Find Richard Mauer at adn.com/contact/rmauer or call 257-4345. Find Lisa Demer at adn.com/contact/ldemer or 257-4390.

ONLINE AUDIO: Listen to surveillance recordings submitted as evidence in the Pete Kott trial at adn.com/fbi

LOAD-DATE: September 13, 2007

LANGUAGE: ENGLISH

GRAPHIC: BILL ROTH / Anchorage Daily News
Ex-Veco chief Bill Allen walks outside the federal building courtroom during Pete Kott's trial Wednesday, where he spent the better part of three hours outlining his working relationship with the then-state representative.
AL GRILLO / The Associated Press
Former Alaska state House Speaker Pete Kott, right, walks through the federal court building past a row of green lights in Anchorage on Wednesday with his daughter, Pam Kott.

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 14, 2007 Friday
FINAL EDITION

Kott trial defense emerges;
BILL ALLEN: Ex-Veco chief says he bribed the defendant, Kohring and Ben Stevens.

BYLINE: By LISA DEMER and SEAN COCKERHAM Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1217 words

For much of Thursday at Pete Kott's corruption trial, defense lawyer Jim Wendt tried to chip away at the story being told from the witness chair by former Veco chief executive Bill Allen.

Kott, a Republican and former House speaker from Eagle River, is accused of pushing new oil tax legislation on behalf of Veco that was also favored by North Slope oil producers. In exchange, prosecutors say he got nearly $9,000, a political poll and the promise of a job.

Wendt kept pushing to get him to say Allen's promise of a job didn't really mean much or that the money Veco executives gave to Kott was legitimate.

Allen, 70, though weary and showing the strain at times after two days on the stand, didn't go along with the defense.

He is a key prosecution witness in the trial of Kott, a man whom Allen called a close friend, almost like family.

Allen told jurors he already has admitted his guilt in a conspiracy. He testified that he pleaded guilty to bribing three former legislators: "Pete Kott, Vic Kohring and Ben Stevens."

Kohring, a Republican from Wasilla who served in the House, is awaiting trial. Stevens, a Republican and former Senate president from Anchorage, hasn't been charged. Allen didn't mention a fourth legislator, former state Rep. Bruce Weyhrauch, whose corruption case was split from Kott's just before the trial began.

Allen testified that he didn't always tell FBI agents who were investigating corruption among legislators what they wanted to hear, but it was the truth.

"I worked real hard trying to make the truth and everything ... to be fair," Allen said.

Allen said that he expected to be sentenced to 10 to 11 years in prison but that no promises had been made. "Whatever happens to me happens."

He was confronted by FBI agents on Aug. 30, 2006, while going to breakfast with Sen. Fred Dyson, who unknown to Allen was helping in the investigation.

Allen said he agreed to cooperate to save his three grown children from being indicted and to spare Veco, which he built from its roots on Cook Inlet rigs to an international company with more than 4,000 employees. Veco was sold last week to CH2M Hill.

From the FBI headquarters in downtown Anchorage that first day, Allen called Kott. The FBI, which was recording the call without Kott's knowledge, wanted to know more about a $7,993 payment from Allen that apparently was destined for Kott's son.

Prosecutors say the money was paid to Kott through an inflated invoice from his hardwood flooring company.

"Have you got your son took care of?" Allen asked Kott in the call, which earlier had been played for jurors.

Yeah, Kott answered.

"Did Rick get it done for you?" Allen asked, referring to former Veco vice president Rick Smith, who also has pleaded guilty to bribery and other charges.

Yeah, yeah, Kott answered.

"How did he do it or -- can you tell me?" Allen went on.

Kott reminded Allen that it was his check.

"Remember we talked about three, four or five weeks ago just add on X amount -- I forgot what it was exactly -- to your bill or something," Kott told him.

Prosecutors have played dozens of secretly made recordings for jurors that expose crude language, drinking and political deal making in which, they say, Kott was corrupted by Allen and Smith.

On Thursday, defense lawyer Wendt asked Allen if the $7,900 was an advance for future flooring work, not a bribe.

Allen said he didn't know anything about any future work. The money, he said, was for Kott's son, Peter Jr., to take time off from the flooring business and help out on his father's campaign.

The defense appeared to score a point when Wendt pressed Allen on whether he had offered Kott a lobbying job "with Veco."

Allen said in at least one of the recorded conversations that Kott would be a lobbyist. But when Wendt asked him to find on the transcript where he specifically promised that Kott would be a lobbyist for Veco, he couldn't.

"In my mind I told him he would be a lobbyist with Veco," Allen said, adding he believed that was Kott's understanding as well. Another issue concerns $1,000 cash that Allen handed to Kott in Suite 604 of Juneau's Baranof Hotel. Many of the recordings were made there.

Wendt asked Allen if that wasn't just reimbursing Kott for money he had contributed to Gov. Frank Murkowski's campaign.

Allen said he didn't owe Kott anything for that. But Wendt repeatedly asked if the $1,000 was payback for the contribution.

"Yeah, but he didn't ask for it. I just gave it to him ... goddamn," a frustrated Allen said on the witness stand.

Wendt contends Kott didn't always do Veco's bidding and was on the opposite side of matters such as workers' compensation.

But Allen testified he didn't remember if there was ever any issue where he and Kott split.

Allen said he was friendly with a few legislators, all Anchorage Republicans, including Stevens and state Reps. Mike Hawker and Norm Rokeberg.

FBI - Stevens-1195

He was especially close only to Kott and state Sen. John Cowdery, he said.

Kott was a drinking buddy who lived with him for a few months in 2005 to be closer to flooring jobs, Allen said. He related to Cowdery because both were contractors -- Cowdery used to run an excavation business -- and liked to talk shop.

Both regularly showed up at his downtown Anchorage home unannounced. He welcomed it. Cowdery would say "I'm at the front door," Allen told jurors.

Wendt asked Allen about Veco's hiring of legislators as consultants. Allen talked about two, Stevens, and former state Rep. Tom Anderson, R-Anchorage. Anderson was convicted in July of seven federal charges in another corruption case, but the allegations didn't involve Veco.

Allen said another executive hired Anderson and he only found out later.

"He was supposed to be like a lawyer," Allen said. But he admitted "I don't know why we really hired him."

Allen told jurors he talked with Kott about eventually going to work for Veco -- but after he was out of office. He said Veco shouldn't hire sitting legislators and it shouldn't have happened with Anderson.

As to Stevens, he started consulting for Veco in 1995, six years before he was appointed to the Senate, Allen said. "He was real good at details. He was like Pete. He would work," Allen said.

By the time Stevens was in the Senate, he had four kids, Allen noted. "How am I supposed to say 'now that you're a senator, Ben, I can't give you more money,' " Allen testified. "I couldn't do that."

One strange moment happened at the end of Friday's testimony. Wendt asked Allen if he had threatened to have his nephew, Dave Anderson, killed for being "involved in blackmail." Allen said there was blackmail but that he never threatened to have his nephew murdered.

"I told him I'd kick the s--- out of him," Allen said on the witness stand.

The trial resumes today with Allen still on the stand. Smith also is expected to testify.

The trial is expected to take much of next week.

Find Sean Cockerham online at adn.com/contact/scockerham or call 257-2344. Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

ONLINE AUDIO: Listen to FBI wiretaps being submitted as evidence and court testimony from ex-Veco CEO Bill Allen.

adn.com/fbi

TRIAL UPDATES: Visit our political blog for the latest from the courtroom. court testimony from ex-Veco CEO Bill Allen.

adn.com/alaskapolitics

LOAD-DATE: September 14, 2007

LANGUAGE: ENGLISH

GRAPHIC: Dyson

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Untitled

ANCHORAGE

Anderson's sentencing is delayed

The sentencing of former state Rep. Tom Anderson on federal corruption charges has been delayed until Oct. 15.

Anderson's attorney, Paul Stockler, requested the date be moved from Oct. 2 so Anderson's wife, state Sen. Lesil McGuire could attend. She is to be out of the country for a private organization, the motion to the judge said. She also didn't want the sentencing to occur during an upcoming special legislative session on oil taxes, set to begin Oct. 18 in Juneau.

Anderson was convicted in July of seven felonies including bribery, extortion and money laundering.

U.S. District Judge John Sedwick approved the delay this week. The sentencing will begin at 10 a.m.

-- Anchorage Daily News
9/15/2007
SEC. B-3

FBI - Stevens-1197

194 A-AN-13620-M ; 524

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 15, 2007 Saturday
FINAL EDITION

Old letter to editor gets juror removed from trial;
VECO MONEY BLASTED: The judge says he found it "very worrisome to me."

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A10

LENGTH: 367 words

A juror was dismissed Friday in the corruption trial of former state Rep. Pete Kott.

Defense lawyers told U.S. District Judge John Sedwick they had just come across a letter to the editor by juror Lisa Polito published in the Kodiak Daily Mirror on Oct. 30, 2006, that referred to Veco Corp. campaign contributions as "scandal-tainted money."

Kott is accused of taking bribes to do Veco's bidding in the Legislature.

In the letter, Polito criticized Kodiak Rep. Gabrielle LeDoux for failing to return campaign contributions from Veco. Polito was responding to a news story that had said LeDoux intended to give the money to charities after the election. Just a "guise of 'renouncing' the funds," Polito wrote.

Polito hosts a public radio show in Kodiak called "Talk of the Rock."

On Friday morning, defense lawyer Jim Wendt showed the letter to Sedwick before jurors were brought in.

"This is very worrisome to me," Sedwick said.

The issue of Polito's ability to be impartial had come up just the day before when she sent Sedwick a note revealing that her husband was a fisherman plaintiff in the Exxon Valdez oil spill lawsuit. She didn't remember about his involvement in the suit when the jury was being picked, and said it wasn't part of her daily life. Sedwick questioned her but decided she could remain on the jury.

Not so on Friday.

"It looks to me like she made up her mind, and not only made up her mind, failed to tell us about it," Sedwick said.

But Polito said she had thought of the letter as being about the campaign, not Veco. She said she mentioned during the jury selection process that she had written letters to the editor about political campaigns. She expected the lawyers to ask more about that, but they didn't.

In the letter, Polito said, her point was that LeDoux should return the Veco money "just for good measure, not that that was any kind of indictment on Veco."

Asked how she thought the trial was going, Polito said "slow." Tedious? "No, thorough."

Ultimately, "it wasn't far enough into it that I felt like either side had totally substantiated their claims in their opening remarks," Polito said.

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Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 16, 2007 Sunday
FINAL EDITION

Ex-Veco VP has more to reveal;
Smith names bribe takers, to testify again Monday in trial of Pete Kott

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 1128 words

Witnesses in the corruption trial of former state Rep. Pete Kott have provided jarring testimony about secret dirty deals, payoffs to Kott, and the remodel of U.S. Sen. Ted Stevens' Girdwood home.

Most of the revelations have come out through dozens of secretly made recordings of cell phone calls and meetings in Suite 604 of the Baranof Hotel, the Juneau headquarters of Veco Corp. when the Legislature was in session. Kott is charged with taking bribes from Veco executives and conspiring with them and others to pass a new oil tax favored by North Slope oil producers in 2006.

The trial wrapped up its eighth day Friday and continues Monday.

Highlights so far:

WEDNESDAY, SEPT. 5

Just before the trial begins, U.S. District Judge John Sedwick splits Kott's case from that of his co-defendant, former Rep. Bruce Weyhrauch of Juneau. The two had been scheduled to be tried together. The split allows Kott's case to move forward while the government appeals a ruling excluding key evidence against Weyhrauch.

Jury selection for Kott begins. A few dozen people in the pool of 120 were weeded out earlier because of hardships, biases or other reasons revealed in written questionnaires.

THURSDAY, SEPT. 6

The process of picking a jury continues. It's slow going with prospective jurors questioned one by one about what they already knew about the case through news reports.

SEPT. 7

FBI - Stevens-1200

Just before noon, a jury of 10 women and two men, plus four alternatives, is picked. Eight of the regular jurors are from Anchorage. One is from Eagle River, which Kott represented for 14 years in the House. Another is a public radio talk show host from Kodiak. She comes back into the story later.

MONDAY, SEPT. 10

Prosecutor Nicholas Marsh, from the U.S. Justice Department's Public Integrity Section, and defense attorney Jim Wendt outline their versions of the case in opening statements to the jury, and the government begins to introduce the FBI's secretly made recordings into evidence.

Marsh says that Kott had betrayed the public trust by pushing an oil tax favored by industry in exchange for money, a Veco-paid-for political poll and the promise of a job from the company. In one of the recordings, Marsh tells jurors, Kott says "I sold my soul to the devil."

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Wendt tells jurors the government has twisted what happened. Kott was just a blue-collar Republican working hard to get what most Alaskans wanted: a natural gas pipeline. There's nothing illegal about teaming up with lobbyists, the oil industry or others to work for a common goal, Wendt says.

"About the only ones that I can trust is you and ol' Ben Stevens," former Veco chief executive Bill Allen says to Kott in one of the recordings played that day. Stevens is the former Senate president.

TUESDAY, SEPT. 11

The entire day, an FBI agent from Cincinnati is on the witness stand to provide background as prosecutors introduce many more recordings into evidence. The cell phone conversations and meetings in Suite 604 reveal a crude world of political deal-making that operated on the fringes of the Alaska Legislature.

After a key vote on the oil tax rate on May 7, 2006, Kott goes to Suite 604 to celebrate with Allen, former Veco vice president Rick Smith, and others. In a grainy video, they clink glasses and Kott boasts about how he got the votes. "I use 'em and abuse 'em," he says of his colleagues.

WEDNESDAY, SEPT. 12

The government plays more recordings in the morning and then Allen takes the witness stand. It's the first time he's talked publicly about his role in the corruption investigation since it burst into public view more than a year ago. The courtroom fills with spectators.

Under questioning by prosecutor James Goeke, Allen tells about a scheme to funnel nearly $8,000 to Kott for his son so his son could take off from work to help on Kott's re-election campaign.

Allen also explains that when Kott keeps talking about going to work as a warden for a prison that Veco was building in Barbados, it's just a running joke. But Veco's promise to give Kott a job as a lobbyist once he was out of the Legislature was real, Allen testifies.

THURSDAY, SEPT. 13

Allen remains on the witness stand all day. He tells jurors he has been cooperating with the FBI since Aug. 30, 2006, when he was confronted by agents while with Sen. Fred Dyson on the way to breakfast. On Aug. 31, teams of federal agents raided offices of six legislators around the state. Allen says he pleaded guilty to bribing three: Kott, former Rep. Vic Kohring and Stevens. He does not mention Weyhrauch. Much of the day, defense lawyer Wendt pushes Allen to say that what the government calls bribes weren't that at all. But Allen doesn't go along.

FRIDAY, SEPT. 14

The most startling moment of the trial comes when Allen reveals that he or Veco provided workers and material for the 2000 building project that doubled the size of Ted Stevens' residence in Girdwood. Wendt, still doing the cross-examination, was seeking to discredit Allen and downplay the role that Kott played in the scandal.

Later in the day, former Veco vice president Rick Smith takes the stand. He also testifies about whom he pleaded guilty to bribing: Kott, Kohring, Weyhrauch, Stevens and one more, Sen. John Cowdery. In Smith and Allen's charging documents, Cowdery is believed to be Senator A, a member of the conspiracy, though not among the group that was bribed.

Also on Friday, juror Lisa Polito of Kodiak is dismissed after the judge learns she wrote a letter to the editor in October 2006 that described Veco's campaign contributions as "scandal-tainted money." One of the alternates, a child-care worker from Anchorage, is moved to the panel of 12 regular jurors.

What's next: Smith continues on the stand Monday, followed by more government witnesses. The defense is expected to begin presenting its case on Tuesday. That's expected to last at least a couple of days.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

TRIAL AUDIO: You can follow the Kott trial online. We have audio clips from the first day of testimony from ex-Veco CEO Bill Allen and many of the FBI wiretap recordings entered into evidence, some with transcripts. We're adding more every day and will eventually have all of the evidence and testimony. You'll also find an overview of the larger corruption investigation and an interactive timeline, and you can read about key players in the case.

adn.com/fbi

STAY UP TO DATE: Read updates from the trial through the day each day the trial is in session on adn.com and on our politics blog

adn.com/alaskapolitics

WHERE'S IT LEAD? For an interactive overview of the corruption investigation go online to adn.com/fbi. Click on "Corruption investigation overview" at the top of the right column.

LOAD-DATE: September 18, 2007

LANGUAGE: ENGLISH

GRAPHIC: ERIK HILL / Anchorage Daily News
Former House speaker Pete Kott, right, arrives on Friday morning with daughter Pamela Kott at the Federal Building and U.S. Courthouse for his trial for bribery, extortion, fraud and conspiracy.
AL GRILLO / The Associated Press
Bill Allen, the former head of oil field services company Veco Corp., right, walks back to court at the federal court house in Anchorage on Thursday, which was his second day of testimony in former state Rep. Pete Kott's corruption trial. Allen and Veco vice president Rick Smith pleaded guilty to extortion, conspiracy and bribery of legislators in May.

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Untitled

Paper: Anchorage Daily News (AK)
Title: Defense disputes Kohring's FBI chats -
EVIDENCE: His lawyer asks to stifle material from an office search.
CORRUPTION CASES IN TWO ANCHORAGE COURTROOMS
Date: September 18, 2007

A battle is being fought over evidence in the case against former Rep. Vic Kohring, but that's just one of the twists.

At issue: whether prosecutors can use materials seized and statements made by Kohring during the Aug. 31, 2006, search of his legislative office in Wasilla.

His lawyer, John Henry Browne of Seattle, says they didn't get anything incriminating, but he is still fighting to stifle everything from the search. Kohring, a Republican elected seven times, talked with FBI agents for hours that day.

One revelation came after the hearing. Browne told reporters that he intended to file a motion within the next two weeks to dismiss the charges based on what he called improper interference by state Sen. Fred Dyson, R-Eagle River.

Kohring's trial is set to begin Oct. 22. He is charged with conspiracy, extortion and bribery. He is accused of accepting money from Veco Corp. executives in order to push the company's interests on oil taxes and a natural gas pipeline.

According to an FBI report filed in court by his attorney, Kohring told agents:

* He had asked for money for himself personally and for his political campaigns from Veco executives Rick Smith and Bill Allen, and also asked Smith about borrowing or renting a truck. The campaign contributions were properly reported, he said.

* He told agents about regularly meeting and dining with lobbyists while the Legislature was in session. "He likes receiving free meals and drinks from lobbyists," the FBI summary of the Aug. 31 interview said.

* Kohring had a $2,700-a-month consulting contract with developer Marc Marlow but couldn't describe his specific duties.

* Earlier, Kohring had asked Allen if Veco would hire his nephew as an intern. Veco did so. Kohring told agents he thought it was a great benefit for an 18-year-old to be paid $16 an hour.

In another revelation, former Cornell Cos. consultant Frank Prewitt and former state Rep. Tom Anderson secretly recorded conversations with Kohring for the government, according to a letter sent this summer by federal prosecutors to Browne. It was just filed in court. Anderson was convicted in July of taking bribes to do the bidding of Cornell, but it came out at his trial that he at one point was

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cooperating with the FBI. Prewitt was working undercover for the FBI to collect information against Anderson and, it's now known, against Kohring.

The letter says both Prewitt and Anderson made recordings for the government in the case voluntarily, so no court authorization was needed.

KOHRING'S VOTE RECORD

Browne said all the allegations can be explained and that what's important is this: Kohring didn't vote Veco's way on the oil tax. A check of legislative records shows that was true on certain key votes. When Veco shifted strategy to support a compromise tax rate in an August 2006 special session, Kohring voted against it.

Browne said he learned only Thursday from testimony in the Kott case that Dyson had been helping the FBI investigate corruption in the Alaska Legislature. That makes him an agent of the government, Browne said. He called Dyson "a lapdog."

Browne said he takes issue with Dyson trying to persuade Kohring to at least talk to the feds, if not take a plea deal. He said he believes that the government could have been trying to interfere with Kohring's right to counsel.

But Dyson said later that he just was trying to help Kohring as a friend and wasn't asked to do so by prosecutors or the FBI.

As Browne tells it, a legislative aide to Dyson contacted an aide to Kohring to say the FBI had contacted Dyson's office and that Kohring would be "stupid to go to trial."

On Aug. 6, Craig Suffian, an attorney who works for Browne, sent Dyson an e-mail saying there may have been "an end-run around the right to counsel."

In his e-mail response the same day, Dyson said he wasn't trying to do that.

"My sense of the FBI investigations is that it is not a witch hunt and that they mostly want to nail the really bad guys who did intend to distort the Alaskan Legislative process," Dyson wrote.

He believed that Kohring never meant any harm and possibly could "avoid a good deal of stress and bad press at a trial by at least sitting down with the Feds and see if an attractive alternative was possible," he said in his e-mail. He said he figured Kohring's lawyers would go with him to talk to prosecutors.

Browne provided a copy of the e-mail exchange.

So is Kohring negotiating? Browne said that's something defense lawyers are barred from talking about.

FBI TESTIMONY

FBI - Stevens-1204

During the three-hour hearing on Monday, three FBI agents testified about the search of Kohring's office.

Five agents were involved, along with an evidence technician. But while the agents were armed, their weapons were concealed and never drawn, agents testified. They wore business clothes, not FBI raid jackets, and drove unmarked cars. While the outer door to the office was locked, it opened from the inside and Kohring was always free to go, agent Alan Vanderploeg testified.

They had a warrant, signed by federal Magistrate Judge John D. Roberts on Aug. 29, 2006.

But the warrant was never executed. Agents wanted Kohring to agree to the search, which he did.

Kohring's lawyer maintains that a search cannot be voluntary if agents tell the subject they have a warrant.

Kohring is one of six former or current legislators whose offices were searched that day. Agents testified they were instructed to get consent for the searches as "a professional courtesy."

But it also made it more difficult for defense lawyers to see the written support for the search warrant -- the application and the FBI agent's detailed affidavit. The search warrant and affidavit were sealed.

Browne told Roberts that he still wanted to see the affidavit and that prosecutors hadn't turned it over. At the hearing, prosecutors agreed to provide it, as long as he kept it confidential.

Now it is up to Roberts to recommend to District Judge John Sedwick whether the evidence taken in the search, and the statement that Kohring gave, can be used against him.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Reporter Tom Kizzia contributed to this story.

READ MORE: See the FBI report on the agents' search of Kohring's office, along with the e-mail from Sen. Fred Dyson, at

adn.com/fbi
Caption:
BILL ROTH / Anchorage Daily News

Ex-state Rep. Vic Kohring, R-Wasilla, leaves the federal courthouse in Anchorage after a Monday hearing. Kohring faces bribery, extortion and corruption charges for allegedly taking money from Veco in return for his support on energy issues.

Kohring's attorney John Henry Browne said all the allegations can be explained.
Caption:
Photo 2: VicKohring_091807.jpg

Graphic 1: JohnHenryBrowne_091807.eps
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Author: LISA DEMER ldemer@adn.com Staff
Section: Main
Page: A1
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FBI - Stevens-1206

Untitled

Paper: Anchorage Daily News (AK)
Title: Kott trial bares Veco maneuvers -
PROSECUTION RESTS: From pig roasts to political polls, former V.P. shines light on the firm's spending.
Date: September 18, 2007

Former Veco vice president Rick Smith was at the center of company fundraising, whether it was organizing the annual pig roasts for Rep. Don Young or one of the many golf tournaments where he turned checks into cash under a special arrangement with the Buckaroo Club in Spenard known as the "Phony Account."

Smith concluded two days of testimony Monday as a government witness in the federal corruption trial of former House Speaker Pete Kott, R-Eagle River. The government later wrapped up its case, with Kott's attorneys expecting to present their defense starting this morning and running through Thursday.

After the jury was dismissed for the day, U.S. District Judge John Sedwick rejected a defense motion to throw out the case against Kott. He said the government had provided ample evidence to support its charges of bribery, extortion and conspiracy.

The day also provided an inside look into how Veco apparently broke state law by hiring Anchorage pollster David Dittman to conduct a poll for Kott in 2006. Dittman, who took the stand after Smith, said he suspected the Veco-paid poll amounted to an illegal campaign contribution from the company to Kott, but decided it wasn't his business to worry about it.

Until it was sold 11 days ago on the eve of Kott's trial, Veco was an Alaska-based oil field services company. Its former chairman, Bill Allen, was among the most politically active businessmen in the state.

Kott's trial resumed Monday with Smith on the witness stand under cross-examination by Jim Wendt, the chief defense counsel.

Smith began work at Veco in 1989 as a logistics expert in Veco's cleanup of the Exxon Valdez oil spill. Rising to vice president of community and government affairs, Smith said his most recent annual salary was $165,000 plus a bonus ranging from $20,000 to $80,000. He was also illegally reimbursed for campaign contributions totaling $20,000 to $50,000 a year, he said.

The corruption investigation, centered on Veco and its relationships with politicians, brought an end to his employment in May, but his severance package was worth $384,000. Veco continued to pay his legal bills until CH2M Hill bought the company. He settled for a one-time lump-sum payment of $500,000 for lawyers but can keep any money left over, he said.

Smith learned he was busted on Aug. 31, 2006, the day after Allen agreed to work for the government. Smith said he got an early morning call from Allen, who asked him to come to his home as soon as he could.

FBI - Stevens-1207

194A-AN-13620-M: 528

He got to Allen's door about 9 a.m.

"I got some people you need to talk to," Allen said, then left. Two FBI agents approached Smith.

"They sat down and had a conversation with me, showed me the video and audio evidence they had accumulated and talked about what would happen to me if they were to prosecute and indict me," Smith testified.

He caved quickly and agreed to cooperate. Both he and Allen have pleaded guilty to bribery, extortion and conspiracy and face about 10 years in prison.

Wendt attempted to attack Smith's credibility by bringing up the dozens of charitable golf tournaments he ran over the years and his odd arrangements with the Buckaroo Club, a Spenard bar.

"The business relationship you had with them was to launder money, isn't that true?" Wendt asked.

Smith denied his conduct was illegal. He said he'd bring tournament checks from participants to the bar, which would cash them so he had money to pay expenses. Wendt suggested the amount totaled in the hundreds of thousands of dollars, and Smith didn't deny it. He also didn't deny that he called his arrangement the "Phony Account."

"Didn't the owners of the Buckaroo warn you that the IRS would catch up to you some day?" Wendt said.

"I don't recall," Smith said.

Smith said that for more than 10 years he organized the annual pig roasts that raised money for Don Young's campaigns. They were major affairs, attended by 200 to 400 people and catered by the Marx Bros. Cafe. The cost was $10,000 to $15,000, he said. He wasn't asked whether Young's campaign reimbursed the full cost.

Smith acknowledged he was the Veco employee who supervised the payments of $30,000 to Tom Anderson when Anderson served in the state House -- a "sham contract," in Wendt's words.

"We never got any work out of it," Smith said. "I asked him to work. It didn't happen."

Anderson was convicted in July of taking bribes to do the bidding of another company that wanted to build a private prison in Alaska.

FBI - Stevens-1208

Taking his turn in the witness stand, pollster Dave Dittman said Veco paid him to conduct polls for candidates, including Kott and then-Gov. Frank Murkowski. Such corporate-funded polls for candidates are illegal, according to the head of the Alaska Public Offices Commission.

Dittman indicated on the stand that he did have some concerns about the legality of the polls.

"I remember thinking that 'Oh, I hope you guys don't get yourselves in trouble over this,' " Dittman testified, speaking about Veco paying $2,750 for the July 2006 Kott poll. "I knew it was a corporate contribution; it would exceed the maximum contribution. I also felt they were big boys, had been around for a while and probably knew what they were doing."

Dittman also testified that he conducted a $20,000 poll for then-Gov. Frank Murkowski in April 2006. Veco executive Rick Smith paid for that poll, Dittman said on the witness stand.

"This one was initiated by either Jim Clark or the governor," Dittman testified. "The governor was very unpopular at the time and there was some question of whether he would run."

Clark, who was Murkowski's chief of staff, did not return a phone message seeking comment. Dittman said in an interview he thinks the poll could have been legal because Murkowski was not a declared candidate at that time. Brooke Miles, executive director of the APOC, said that is a gray area.

Dittman also said on the witness stand that Veco paid in June 2006 for a "gubernatorial primary poll" and one for state Senate District N, where then-Sen. Ben Stevens was trying to decide whether he had a chance to retain his seat.

Dittman testified he has done "four or five" political candidate polls for Veco over the past few years. In the later interview, Dittman said he could not recall any other companies that had paid for him to do candidate polls within the past several years.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

REAL-TIME FROM THE TRIAL: Find the most up-to-date news from the Kott trial on our politics blog. Reporter Kyle Hopkins is posting updates throughout the day

adn.com/politics

INSIDE

COWDERY: Gov. Palin wants Senate leaders to decide if the Anchorage Republican should remain the Rules Committee chairman.

Page B-1
Caption:
AL GRILLO / The Associated Press FBI - Stevens-1209

Former Veco Corp. executive Rick Smith, left, walks from a federal courtroom on Monday during a break in his testimony in the federal corruption trial of former Alaska House Speaker Pete Kott.
Caption:
Photo 2: Video3_091807.jpg

Graphic 1: Video2_091807.eps

Graphic 3: 18corrupt_091807.eps
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Author: RICHARD MAUER and SEAN COCKERHAM Anchorage Daily News Staff
Section: Main
Page: A1
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FBI - Stevens-1210

Untitled

Paper: Anchorage Daily News (AK)
Title: Governor pressures Cowdery -
BRIBE ALLEGATION: Palin urges review of senator's leadership role.
Date: September 18, 2007

Gov. Sarah Palin said Monday that Senate leaders should review whether Anchorage Republican John Cowdery is qualified to remain the Senate's Rules Committee chairman.

On Friday, a former oil field services executive testified that Cowdery was among five lawmakers he bribed for favorable influence on oil tax legislation.

Cowdery was among six legislators whose offices the FBI raided last year. He has not been charged but was named in testimony during former Rep. Pete Kott's federal corruption trial last week.

Palin stopped short of calling for Cowdery to be stripped of his title, saying that decision rests with Senate leaders who initially put him in that position.

The rules chairman is the gatekeeper of all legislation that reaches the Senate floor for a vote.

"With that confirmation in testimony, I would think that the Senate leadership would want to address the issue," Palin said. "We haven't heard them address it yet.

"And we haven't heard what Senate leadership intends to do about the allegations, especially now that the names have been made public."

Senate President Lyda Green, R-Wasilla, did not immediately return requests for comment Monday.

Cowdery is out of town and unavailable for comment, said Jeff Turner, press secretary for the Senate majority, made up of six Republicans and nine Democrats.

After federal agents searched his office last August, Cowdery was among the first to respond.

"It's pretty bizarre," he said in a written statement at the time. "That's all I know. It's pretty bizarre. I haven't done anything wrong."

A special session is set to begin next month on oil taxes, called in part to review how the Legislature in 2006 passed a new tax on the oil industry. The issue dominated the session and is at the heart of charges against three former lawmakers, including Kott.

Having Cowdery remain as Rules Committee chairman for the session that starts Oct. 18 has some lawmakers nervous.

"At the very least the leadership needs to look at can we go through a special session and evaluate the proposal?" said Minority Leader Gene Therriault, R-North Pole,

FBI - Stevens-1211

194A-AN-13620-M;529

Cowdery's appointment came under scrutiny Jan. 16 during the first Senate floor session when committee appointments received a vote.

Therriault, whose minority group is made up of five Republicans, raised the issue then, but Cowdery was approved along coalition lines, 15-5.

Therriault believes testimony last week from former Veco Corp. vice president Rick Smith -- although Smith didn't elaborate on how he allegedly bribed Cowdery -- warrants revisiting Cowdery's leadership role.

"Now there appears even more reason to be concerned about public perception over Senator Cowdery remaining in a leadership position," Therriault said.

Caption:
Cowdery
Caption:
Graphic 1: John Cowdery CMYK_091807.eps
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Author: STEVE QUINN The Associated Press WIRE
Section: Alaska
Page: B1
Dateline: JUNEAU
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Untitled

Paper: Anchorage Daily News (AK)
Title: Marketing firm mentioned in Kott corruption trial burglarized -
NORTHWEST STRATEGIES: Items worth $40,000 were stolen during the weekend.
Date: September 19, 2007

An Anchorage marketing firm whose name came up last week during the corruption trial of former Rep. Pete Kott was burglarized over the weekend, Anchorage police said Tuesday.

A thief or thieves broke into Northwest Strategies and stole a computer server, two hard drives, broadcast editing equipment and a flat screen TV, among other items, owner Tim Woolston said.

"They took a number of business equipment, office and computer equipment, and some kind of a network server that has a lot of business records on it," said Anchorage police Lt. Paul Honeman.

Police estimate the losses to be in excess of $40,000, he said.

None of the equipment contained sensitive information about clients, and no customer information was compromised, Woolston said.

The burglary took place between 3 p.m. Saturday and 11:30 a.m. Sunday, Honeman said, and it was reported Sunday by an employee.

"But then we didn't get the call until 3 in the afternoon," he said. "I don't know why there was such a delay."

Whoever broke in cracked a window on the back of the building and pulled it off the frame, Woolston said. The office did not have a security alarm, he said, but it soon will.

Police have "very few" leads, Honeman said.

Northwest Strategies was co-owned by former Sen. Jerry Mackie until earlier this year, when Woolston bought out his interest, Woolston said.

Both Northwest Strategies' and Mackie's names have surfaced during the corruption trial of Kott, who is accused of selling his influence to Veco executives.

A phone conversation between Mackie and former Veco vice president Rick Smith that took place on July 12, 2006 -- when Mackie still was with Northwest Strategies and was working as a consultant on Kott's campaign -- was played to jurors last week.

In it, they talked about a poll conducted by Dave Dittman for Kott's campaign. Mackie told Smith he had let Kott know that Smith and Veco CEO Bill Allen had agreed to help pay for the poll, and Kott said that was great.

FBI - Stevens-1213

194A-AN-13620-M;53D

After the conversation was played Sept. 11, Mackie told the Daily News he knew about the poll but wasn't a part of any bribery conspiracy involving Veco.

Woolston said he had no reason to think the timing of the testimony and the burglary had any relationship to one another.

"I can't for the life of me think about what that might be," Woolston said. "All we did for that campaign was create a few commercials and they were all out there in the public, so I don't know what the point would have been."

Find James Halpin online at adn.com/contact/jhalpin or call him at 257-4589.
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Author: JAMES HALPIN jhalpin@adn.com Staff
Section: Alaska
Page: B1
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<<Back



Cornell has no plans for new prisons in Alaska

by Jill Burke
Wednesday, Sept. 19, 2007

ANCHORAGE, Alaska -- Cornell Cos. claims it will no longer attempt to sell projects here in Alaska.

The company has made big headlines in Alaska over the last several months as the private prison firm used a decoy by government informant Frank Prewitt in crafting a bribery scheme with former Anchorage lobbyist Bill Bobrick and former Anchorage Rep. Tom Anderson.

Both Anderson and Bobrick have been convicted of corruption and bribery in the scheme.

Cornell has tried building a private prison in Alaska three times -- in Delta junction, Kenai and Whittier -- and has been unsuccessful in each instance.

Now Cornell CEO James Hyman said he's done.

"We understand how the [Department of Justice] had to use bait to get what they needed. We are a little chagrined to be that bait," Hyman said.

Although the government successfully used Cornell as bait to take down Anderson and Bobrick, the company was not involved in the kickbacks and knew nothing of Prewitt's arrangement with federal agents.

Instead, Cornell was simply part of an FBI cover in order to keep the bribery framework it was monitoring with Anderson and Bobrick believable.

Unbeknownst to Cornell, Prewitt sought Anderson's help on matters key to the company's future plans, including muscling through the complex bureaucracy to prove to the state those projects were needed.

During the Anderson trial, Prewitt told the court he made an illegal campaign contribution utilizing money from a former Cornell executive.

After hearing that, Hyman said the company wanted to ensure its activities in Alaska had all been above board.

Hyman said the company talked to current and ex-employees to try and discover any wrongdoing. He said he is confident there have been no issues since he took over in 2005 and said there's no evidence it happen in prior years either.

Among the projects Cornell was pursuing in Alaska, and Prewitt was using to snare Anderson, was a new juvenile residential treatment facility for Anchorage.

The project suffered from poor community support for the Downtown location it chose for a detention facility in addition to the paperwork and bureaucratic snags.

Cornell currently operates six halfway houses across the state, including three here in Anchorage. A company executive announced that is where its focus will remain for the foreseeable future.

194-AN-13620-M:531

"We are not interested in the juvenile sector here. We are not interested in building a private prison here or operating a private prison here. That is not where we are going to focus," Hyman said.

Alaska Department of Corrections Commissioner Joe Schmidt said the department's relationship with Cornell is still strong.

"Right now, they want to work with us instead of against us, and I think we have a pretty good partnership right now," Schmidt said.

The possibility of constructing a private prison in Alaska was taken off the table three years ago when the state legislature passed a bill requiring any prison expansion in the state to be state-run and state-operated.

Plans to build a facility at Point MacKenzie in the Matanuska-Susitna Borough are moving forward, although the original mega-prison proposal has been shelved.

Contact Jill Burke at jburke@ktuu.com

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FBI - Stevens-1216

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Veco man says he worked on Stevens, Young fund-raisers

By MATT APUZZO
The Associated Press
(Published: September 19, 2007)

WASHINGTON - A construction worker who oversaw renovation of Sen. Ted Stevens' home said his company also paid him to help run fundraisers for the Alaska Republican, a practice that appears to violate federal campaign finance laws.

Contractor Robert Williams is a key witness in a bribery investigation that stretches from Alaska to Capitol Hill and threatens legal and political headaches for the Senate's longest-serving Republican. The FBI is investigating whether Stevens received illegal gifts from Veco Corp., the once-powerful Alaska oil contractor.

Williams said he was in charge of "special projects" for Veco founder Bill Allen, and the renovation of Stevens' home was one such project. Others included working three or four fundraisers for Stevens while on the clock with Veco. Federal elections laws prohibit candidates from accepting donations or free services from corporations.

Unlike other Veco employees, Williams did not itemize his time sheets with job codes so customers could be billed. When working on one of Allen's pet projects, Williams just logged his hours and Veco made sure he was paid.

"I never had any doubts about it until the FBI came down and served me with subpoenas," Williams said in a telephone interview.

At fundraisers, including at least one at the home of Stevens' brother-in-law, Williams said he was assigned odd jobs. He delivered ice, arranged for table rental or oversaw the four or five Veco employees parking cars.

"If I didn't have parking patrol, I basically just had to be there to make sure nothing got messed up," Williams recalled.

Williams said he also helped run annual fundraising pig roasts for Rep. Don Young, another Alaska Republican who has come under scrutiny in the Veco investigation. The fundraisers were among many Williams said he worked on during his more than 13 years at Veco. FBI - Stevens-1217

Stevens spokesman Aaron Saunders had no comment Wednesday. The senator has said he wants to avoid any suggestion he was trying to influence the investigation by discussing it publicly.

A spokesman for Young's office referred questions to his campaign spokesman, who did not immediately return a call.

Corporations are prohibited from donating to federal candidates, and that includes providing services, said Kenneth A. Gross, a Washington campaign lawyer and former Federal Election Commission counsel.

194-AN-13620-M;532

"The company would have had to have been paid," Gross said.

Young recently amended his campaign finance reports to reflect $38,000 in back payments to Allen for the fundraisers. A review of Stevens' campaign finance expenditures since 2000 revealed no payments to Veco or Allen for fundraising.

Robert K. Kelner, another elections attorney and former Republican National Committee lawyer, said the question is whether Stevens or his campaign workers knew the Veco employees were on the clock.

"Should a thoughtful candidate consider that possibility and look into it? Yes," Kelner said. "Do they have a legal obligation to be that thoughtful? No."

Fundraising and favors are at the heart of the corruption investigation, which has ensnared several Alaska legislators. Allen has pleaded guilty to bribing lawmakers and is cooperating with the FBI. He admitted in court last week that his employees provided "some labor" on Stevens' house in 2000, but Williams recalled the job in greater detail.

Williams remembered spending two or three days a week for about six months at Stevens' house, supervising workers and installing hardwood floors. He also recalled moving a truckload of furniture, including a bed and a rug, from Stevens' mother-in-law's house to the senator's home.

The renovation was supposed to have been just a concrete slab in the basement. But groundwater levels complicated the job, Williams said, so workers raised the house, built a new first floor and added electrical and plumbing connections.

A few other Veco employees helped on the job and Williams hired outside contractors. A garage was added, though Williams isn't sure how that idea came up.

Veco isn't in the residential construction business. Its workers build oil pipelines. But Williams said Allen often assigned him work for friends and family. Stevens and Allen are longtime friends, so Williams didn't think the renovation project was unusual.

Stevens met with workers and knew Veco was handling the job, Williams said, so he assumed the senator was reimbursing Veco for his time. Stevens has said he paid every bill he received on the house.

"Ted said he wanted to make sure everything is paid for," Williams recalled from an early meeting with Allen and Stevens.

He recalls Stevens and his wife paying for flooring and is certain the senator paid for at least some of the work. But because Williams didn't record his time at Stevens' house, he said, nobody could know for sure how much his time cost.

FBI - Stevens-1218

At the time, he assumed that when he signed off on expenses and submitted them to Veco, the company would pass those bills on to Stevens. Now, he's not so sure.

"I think Bill's ego got away from him," Williams said. "I think he did what he thought he could do."

Allen liked to do things his own way and wasn't fussy about separating business and friendship, Williams said. "Bill's personal life and the company were one and the same."

Williams testified about the house project before a federal grand jury in Anchorage. He couldn't

remember the total cost of the renovation but said the Justice Department seemed to already know more about the project than he did.

Investigators were "very thorough" and had numerous documents and bills associated with the house, he said.

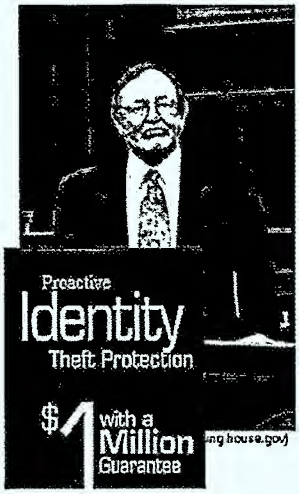
"I thought everything was on the up and up," Williams said. "I'm disappointed with the way things turned out, and I'm sorry for Ted."

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FBI - Stevens-1219

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The Sound Of Silence

By Laura McGann - September 20, 2007, 1:54PM

Hear that? That silence is the sound of my phone not ringing. It's been a familiar quiet since I first started trying to get some answers about Rep. Don Young's (R-AK) Coconut Road earmark last month.

Someone, apparently acting on Young's behalf, managed to change the bill's language in the massive 2005 transportation bill *after* it had passed both houses of Congress, but *before* the President signed it into law. The change no doubt gratified real estate developer Daniel Aronoff, who'd raised $40,000 for Young earlier that year in his push for $10 million to construct a highway interchange. Young's language change steered that cash away from the community's requested use and to

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led to figure out how, in a very technical sense, a bill's t passed both houses of Congress. Surely there must be ting the President's signature safe from tampering, or so

atedly from office to office, I'm still none the wiser as changed the bill's language. It's become crystal clear, ould know don't have a ready answer -- and don't seem

urrent House clerk in late August; I heard nothing. Then was in place in 2005 when the rewording occurred. ntive director of the National Fish and Wildlife two weeks ago. When he returned, his secretary called sy to talk -- too busy indefinitely, that is. I pressed, aying no comment. "No, he is just too busy with an ssic Washington blow-off line!)

the current clerk's office last week. I explained, again, it and got an answer! I was told: call the Committee on ask for its spokesman, Kyle Anderson. (Apparently d in the same question, so the two offices worked solution.) Anderson was sympathetic, but still passed umentarian's Office.

a hard time hearing the person who answered the phone. They were having a "luncheon," that sounded like a wild party (as far as Parliamentarian Office parties go). I called back in an hour, heard loud laughter and cocktail party chatting and then a "click." The third time was the charm. Max Spitzer, an assistant parliamentarian who didn't seem to know what I was talking about, clacked away at a computer, asking me questions about the name of the bill and the date, etc. He looked through something and concluded: "There is nothing here that would indicate a language change."

Well, there you go. The Coconut Road controversy is a figment of my imagination and Lee County, Florida's too. But wait, Lee County, the area that received the funds just voted to send the money back to Congress last month, in hopes of having it reallocated for what they determined to be the original purpose. Lee County commissioned a study from a former government official to trace the earmark's history, discovering that the language change must have occurred in the limbo period between passing Congress and waiting for the president's signature.

And what about our unsuccessful efforts to find an earmark -- any earmark -- other than Young's that had undergone a similar change in the bill? I offered to send the report on to Spitzer so he could see that in fact there was a change. He gave me his email address. The next day he said he sent it on to his superiors, who are certainly working on it.

Just in case that doesn't work, I called back the House Committee on Administration to talk with Anderson again. He sounded, again, very understanding. He explained that it's hard because it's a different majority, with different people working in the various offices. He said he'd see about reaching out to the "other side of the aisle" for me.

FBI - Stevens-1220

194-AW-13620-M;533

Since I haven't heard anything from Anderson, I just called the minority staff myself. I asked the spokeswoman there, Salley Collins, if Anderson spoke with her about this: "No, not at all." Well, good thing I called. After I explained the situation, which surprised her, she offered to put in a request with the Congressional Research Service to look into the matter. Collins warned that CRS could take a while to get to it.

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Comments (4)

GeorgeBush43 wrote on September 20, 2007 2:07 PM:

Laura,

I am awfully sorry that you went to all of that trouble. You should have called me. I wrote that line into the bill right before I signed it because a couple of my buddies told me that we needed a road there. Sorry about the trouble!

--GWB

Roberta wrote on September 20, 2007 2:08 PM:

Laura, don't you realize that a lot of people could be embarrassed if you discovered--and revealed--that other earmarks had been "tweaked" between approval and signing? You wouldn't want to do that, would you?

Just be a good girl and do what I think an awful lot of people do in Washington: put your hands over your eyes while loudly chanting "lalalalalalala." That should take care of the whole problem.

EdNSted wrote on September 20, 2007 2:12 PM:

Now that's what I call real accountability!

drational wrote on September 20, 2007 3:30 PM:

Thanks for the update and the work. It's clear that if you want something done in Washington, you should become a bike messenger carrying bills from the Hill to the White House.

FBI - Stevens-1221

Post a comment

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Untitled

Paper: Anchorage Daily News (AK)
Title: Kott says he lied to Veco executives -
TESTIMONY: He did take money, defendant says, but not as bribes.
Date: September 21, 2007

Former state Rep. Pete Kott apologized to jurors Thursday for his crude talk in secretly made FBI recordings, but he also conceded that he told Veco Corp. executives whatever they wanted to hear, even if it wasn't true.

On a day he made an emotional speech from the witness stand about his shattered legacy, other revelations spilled out, including that he changed his vote on a new oil tax at the last minute and took $5,000 from former Veco executive Bill Allen as a truck loan that he never repaid.

But, Kott maintained, he never took bribes.

Kott finished testifying late in the afternoon after two grueling days on the stand in his federal corruption trial. While he seemed testy at times during aggressive cross-examination, he didn't lose his cool.

Gov. Sarah Palin quietly popped into the trial for about 10 minutes in the morning. Few seemed to spot her as she slipped into the back row during a little of Kott's testimony on oil taxes. Palin said she took the opportunity to check in during a fire drill in the governor's Anchorage office in the nearby Atwood building.

"This is one of the most important series of trials in Alaska history," Palin said after her courtroom visit.

TRIAL COMES AT GREAT COST, KOTT SAYS

Kott is being tried in U.S. District Court on charges of bribery, conspiracy, extortion and wire fraud. Veco executives Bill Allen and Rick Smith have pleaded guilty to bribing Kott and three other legislators in an effort to influence them on the tax measure in 2006.

Kott told jurors he had to go to trial because he believes he's not guilty, but that it's coming at great cost.

Jurors have seen videos from Suite 604 of the Baranof Hotel in Juneau and heard wiretapped telephone conversations in which Kott, often after drinking, plotted and cussed alongside Veco executives.

Will those videos and newspaper stories about his behavior be his legacy? defense lawyer Jim Wendt asked.

Kott, in the Legislature 14 years, including two as House speaker, choked up a bit during a monologue that lasted several minutes.

"Unfortunately, with all the things I believe I accomplished, the goals that I managed to reach, the legacy will be just that. I think people will forget about the good things and remember the bad things,"

FBI - Stevens-1222

194A-AN-13620-M;534

Kott said.

The video recordings are "extremely embarrassing," Kott said.

"Certainly to the jury, I apologize for the vulgarity that has been presented to you in the course of this trial," Kott said. "It has been an embarrassment for myself and my family." His girlfriend and grown son and daughter sat in the front row behind the defense table.

The defense slogged through the legislative record in an attempt to portray Kott as a statesman who sometimes voted against the 20 percent tax favored by Veco to reach an oil-tax compromise.

But as Kott himself explained, the unfolding of such complex bills is a "cat-and-mouse game," with lawmakers sometimes voting yes for loathsome amendments hoping to kill a bill.

The Legislature approved a 22.5 percent tax, and Kott told the jury he considered it a good compromise. "We pretty much split the baby right in half," he said.

SPIRITED CROSS-EXAMINATION

The cross-examination by assistant U.S. attorney James Goeke was heated from the start.

Goeke came close to yelling as he shot off questions rapid-fire about Kott's vote. Wendt objected time and again. And U.S. District Judge John Sedwick told Goeke to slow down, be more patient and stop making speeches.

Prosecutors also dug deep into the legislative record during their cross-examination, trying to show that Kott voted against the 22.5 percent compromise three times on the last day, when the tax measure nearly died.

Even on the final vote, Kott was a "no," switching his vote to the "yes" side only after the tally showed the measure passing.

"You changed it once the writing was on the wall," Goeke thundered. "It's good you did it so you can tell the jury you voted for 22.5."

Kott's lawyer objected.

"There was no jury then to consider," he pointed out. FBI - Stevens-1223

It was, Goeke noted, the last vote of Kott's legislative career. He lost in the Republican primary two weeks later.

The prosecutor seemed to be portraying Kott as a hold-out for 20 percent until the bitter end -- even when some oil industry lobbyists had started pushing for 22.5 percent in fear a more onerous tax might pass instead.

During his cross-examination, Goeke replayed two FBI recordings from the Veco suite.

"Where do you want to take this, Bill? I don't want to jeopardize the gas line but I'll stay on 20," Kott says on a May 8, 2006, recording from Suite 604. Allen testified earlier that oil producers wanted certainty on oil taxes before they would commit to a multibillion-dollar gas pipeline. "Vic will be on 20 and Jay will be on 20 and Foster will be on 20. I don't know how many others will be on 20," Kott said on the recording, referring to Reps. Vic Kohring, Jay Ramras and Richard Foster.

"Tom Anderson," Smith, the former Veco vice president, chimes in with another lawmaker's name.

"Anderson will be on 20," Kott agreed.

Prosecutors also replayed an especially vulgar recording from late in the night of June 8, 2006. The men in Suite 604 spewed out f--- them repeatedly.

Goeke pressed Kott to explain why he assured Allen he'd fight for 20 percent if he was willing to go higher. Kott said he was misleading his Veco friends, choosing to "tell them what they want to hear."

That theme came up several times.

BERKOWITZ DID NOT HELP SWAY VOTE, KOTT SAYS

Wendt asked Kott to explain another secretly recorded conversation in which he boasts that he "outsmarted the fox" -- referring to then-House Minority Leader Ethan Berkowitz -- in order to get Berkowitz to persuade his fellow Democrats to vote the way Veco wanted.

Kott told jurors that he was just trying to impress Allen. He and Berkowitz had had a rational conversation on the House floor. Kott figured Allen was watching live on "Gavel to Gavel" television.

"I didn't want him to get the opinion I was just crawling in bed with the Democrats," Kott testified.

Kott said he also felt bad because he and Berkowitz had a good relationship for years and he had actually tried to deceive Berkowitz a little bit. He said Berkowitz was on his side back in 2005 when he attempted to regain the House speaker post through a coup. It failed.

That's why he talks in the recording about lying, cheating, stealing and selling his soul to the devil, Kott testified.

FBI - Stevens-1224

In reality, Berkowitz didn't do anything to help swing votes the way Veco wanted, Kott said, even though he told Allen that's what happened.

"I think I was trying to get some credit," he said.

At another point in his cross-examination, Goeke questioned Kott about a $5,000 check from Allen that

jurors hadn't heard about before Thursday.

Kott told jurors that Allen loaned him the $5,000 in 2004 as a down payment on a new truck. He was supposed to pay Allen back once he paid off the truck.

But Goeke pointed out that on Aug. 31, 2006, when the FBI searched Kott's residence in Juneau, Kott told agents that he hadn't done so.

"That sounds like a gift to me," Goeke said.

Kott replied he and Allen had an agreement that Kott would pay the money back when the truck was paid off.

"It could also be characterized as a bribe," Goeke said.

"You can characterize it any way you want; it is not a bribe," Kott replied.

With a few more witnesses to go today, the case may not get to the jury until next week.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Sean Cockerham online at adn.com/contact/scockerham or call 257-4344. Find Tom Kizzia at adn.com/contact/tkizzia.

ONLINE AUDIO: Hear court testimony from the trial from ex-Veco CEO Bill Allen and listen in on the FBI wiretaps that have been presented as evidence in the trial.

adn.com/fbi

LIVE UPDATES: Follow Kott's trial from the courtroom by reading updates on our blog.

adn.com/alaskapolitics

Correction: Correction A front-page story Friday about the corruption trial of former Rep. Pete Kott gave the wrong year in which he attempted to regain the post of House speaker. The failed coup attempt was in 2004, not 2005.

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Author: LISA DEMER, SEAN COCKERHAM and TOM KIZZIA Anchorage Daily News Staff
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Anchorage Daily News (Alaska)

September 22, 2007 Saturday
FINAL EDITION

Governor urges Stevens to break his silence;
INVESTIGATION: State's senior senator owes Alaskans an explanation, she says.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1115 words

DATELINE: WASHINGTON -

Gov. Sarah Palin said Friday that she and Alaskans are owed a more thorough explanation from U.S. Sen. Ted Stevens about why he is under federal investigation.

"Right now, Alaskans aren't hearing anything," Palin said, adding that she and many of the state's residents are willing to give Stevens more leeway than most people because of the Republican senator's long service to Alaska.

"But not hearing anything in terms of information that can be shared regarding the senator's innocence is kind of frustrating for Alaskans," Palin said in a telephone interview from Anchorage. "Alaskans are getting more anxious to hear any information that he can provide regarding his innocence."

Palin first expressed her concerns Thursday to a reporter with National Public Radio, who spoke to her after she dropped in on the federal corruption trial of former state Rep. Pete Kott. Among the trial's bigger revelations was testimony from former Veco chairman Bill Allen that he or his oil services company financed a substantial portion of the 2000 remodeling of Stevens' Girdwood home.

Palin's remarks took on greater significance when The Associated Press reported later Thursday that Allen agreed to secretly tape telephone calls with Stevens after authorities confronted the Veco executive with evidence that he had bribed Alaska lawmakers. The Washington Post on Friday confirmed the existence of the taped phone calls between Stevens and Allen. It's not clear what was said during the calls, or how many were recorded.

As part of its sweeping inquiry into public corruption in Alaska, the FBI taped thousands of hours of phone conversations between Veco executives and state lawmakers. They also recorded secret video in Suite 604 of Juneau's Baranof Hotel, where Allen and fellow Veco executive Rick Smith plotted with Kott on how to move the industry's preferred version of a new oil tax through the Legislature in 2006.

Nearly two months after federal agents' much-publicized search of the Girdwood house, Stevens has yet to comment on the investigation. He did tell Alaska reporters in Washington, before the July raid, that he paid every renovation bill that was given to him.

Stevens' spokesman Aaron Saunders said Friday that the senator would have no comment, and referred the Daily News to the statement the senator has been issuing since July.

Stevens has maintained that it would be an obstruction of justice to talk about the investigation -- or explain his role in it. In his now-familiar statement, Stevens says, "I continue to believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome."

Friday afternoon, when CNN reporters staked Stevens out on Capitol Hill to ask him about the wiretapping, he strode down the hallway of the Hart Senate office building with his suit jacket slung casually over his shoulder. He would not answer questions about the investigation or the reports that the FBI had recorded his conversations with Allen.

"It's a nice day," Stevens said, in response to questions. "I hope you're enjoying it. I'm having a great day."

'ALASKA'S NAME IS MUD'

Palin said her biggest concern about the ongoing corruption investigation, being run by the FBI and Justice Department's Public Integrity Section, is that it continues to make Alaska look as though it's a place where lawmakers can be bought. That's an impediment to developing the state's resources, Palin said, including the development of a natural gas pipeline.

"I think people are just kind of asking about the commitment that Alaskans have to change the political climate up here to a climate where (residents) can trust that the decisions the state government is making are based on the best interest of Alaskans, not due to undue influence," she said.

Other than Palin, most Alaska Republicans have been reluctant to take a public position on Stevens' unwillingness to provide more information. And even fewer want to wade into a difference of political opinion between the country's longest-serving GOP senator and a governor whose election last year represented a changing of the guard in the state's politics.

"Whether the governor or senator or anyone else has an opinion, the wheels of justice are going to turn, and none of us know what the outcome is going to be," said Jim Whitaker, a former Republican state lawmaker who serves as mayor of the Fairbanks North Star Borough.

Rep. John Coghill, R-North Pole, recently attended a gathering of legislators from Western states in Wyoming. He said politicians from other states want to know how Alaska will open the Arctic National Wildlife Refuge to oil development or build a gas pipeline with a cloud hovering over its congressional delegation.

"Alaska's name is mud right now."

He said that he's not passing judgment on Stevens and that it would be wrong to simply hound him for political reasons, but that he also worries about the national backlash against the state.

Others were critical of Palin, including former Rep. Andrew Halcro, a former Republican state representative from Anchorage who ran against her last year as an independent. He said that he'd love to hear what Stevens has to say but that it makes sense for Stevens to keep quiet so it doesn't look as if he's trying to influence the inquiry.

SILENCE ROUSES SUSPICIONS

For many of his constituents, Stevens' non-answers have grown frustrating, and they've created a "whiff of wrongdoing," said state Sen. Hollis French, a Democrat and former prosecutor from Anchorage who co-chairs the state Senate Judiciary Committee.

French said it is time for Stevens to "at least give us his side of the story."

"Like a lot of folks, I think when you hold that job, you hold a public trust," French said. "Your relationship with the public is different than that of an ordinary citizen who gets pounced on by the FBI. It's not obstruction of justice to get in front of the cameras and say 'I did nothing wrong.' "

News that he was the subject of a federal wiretap hasn't changed Stevens' status in the Senate. When his home was raided, at least two government watchdog groups called for him to step down from his powerful committee posts until the federal investigation has been resolved.

But Senate Minority Leader Mitch McConnell, R-Ky., said last month that because Stevens "maintains his innocence" and no charges have been filed, his Republican colleagues will not ask him to step down from committees or refer the matter to the Senate Ethics committee.

Reporter Kyle Hopkins in Anchorage contributed to this story. Read Erika Bolstad and Hopkins on the Alaska Politics blog at adn.com/alaskapolitics.

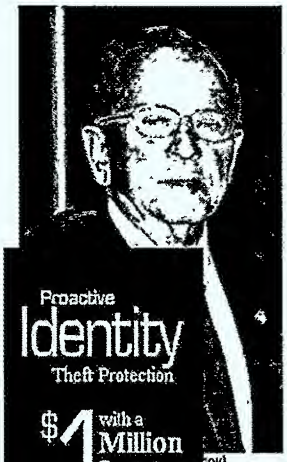
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FBI - Stevens-1227

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Senate Leaders Mum on Stevens

By Laura McGann - September 24, 2007, 4:57PM

The Senate is certainly a kinder place to mucked-up pols than the House.

Despite testimony last week from former Veco CEO Bill Allen that he bribed Sen. Ted Sevens (R-AK) and news that the FBI taped two of their phone conversations, Senate leaders haven't commented on the legal woes plaguing the longest-serving Republican senator.

That's in stark contrast to how the House leadership has reacted to news of investigations. House Republicans apparently put the squeeze on Rep. John Doolittle (R-CA) to remove him from his committee spots. Democrats gave Rep. William Jefferson (D-CA) the same treatment. Senate Republicans did react aggressively to news of Sen. Larry Craig's

arently this is a much different case.

eader Sen. Mitch McConnell (R-KY) if Stevens should ittee assignments in the wake of the scandal. a July 31 statement, in which he referred to Stevens' the Senate and said he didn't have "any

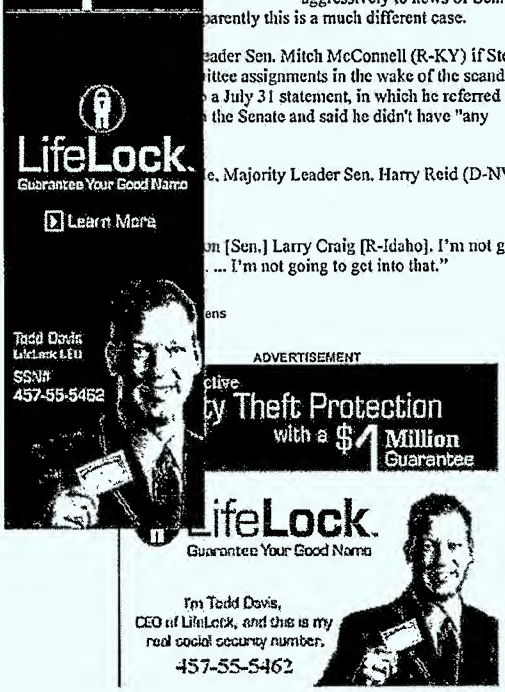
e, Majority Leader Sen. Harry Reid (D-NV) was

n [Sen.] Larry Craig [R-Idaho]. I'm not going I'm not going to get into that."

ens

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M M wrote on September 24, 2007 5:15 PM:

In a backhanded way, Reid equates the Craig scandal with the Stevens scandal! I'm sure Stevens is pleased...

BTW, is it a bad sign that an agency (the FBI) of the most Republican politicized DoJ ends up tapping your phone calls even though you are the longest sitting Republican senator? Ouch...

Ed*ard Teller wrote on September 24, 2007 5:27 PM:

Sen. Lieberman hearted St. Ted this morning in Senate hearings on reforms in the primary process. Stevens sounded particularly tired and tiresome.

FBI - Stevens-1228

194-AN-13620-M;536

"That's in stark contrast to how the House leadership has reacted to news of investigations..."

If that's the case Laura, why so little action on Rep. Don Young? Is it because the House leadership has been tipped off about aspects of the Young investigation(s) that the general public is unaware of?

phil james wrote on September 24, 2007 5:39 PM:

No surprise that Reid had nothing to say. Reid has nothing to say about anything of real import. But he did allow the vote to condemn MoveOn. What an incredible leader.

global citizen wrote on September 24, 2007 5:40 PM:

Perhaps no action has been taken since it takes so long to get the word down the tubes all the way from Alaska.

Anonymous wrote on September 24, 2007 5:53 PM:

"McConnell referred back to a July 31 statement, in which he referred to Stevens' "four decades of service" in the Senate..."

Four decades of corruption is now a positive asset in our current Senate...

oldtree wrote on September 24, 2007 6:42 PM:

He is my friend and colleague and I can't say anything mean about him or he will tell about my involvement with the Glendale Savings and Iran Contra and Jimmy "primate" Gibbons and his cheese empire.....
dirty boys and girls have a criminal in their midst and won't do anything. looks like they are criminals because they are aiding and abetting a crime or crime figure, protecting and defending same. This is how it would read in language that would be used to prosecute you or I under normal criminal statutes or RICO laws. But they allow this as doing business. It is corrupt and broken, and those benefitting will not make changes when it is so lucrative

prove that the country hasn't been sold. I rest my case.

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State on sidelines of FBI investigation into Veco

TAKING NOTES: The attorney general's office won't interfere with the federal investigation.

By SEAN COCKERHAM
scockerham@adn.com

(Published: September 27, 2007)

Alaska Attorney General Talis Colberg said his office assigned lawyers to closely watch former-state Rep. Pete Kott's trial in federal court over the past two weeks as it revealed other possible criminal acts by politicians and Veco Corp. executives.

Colberg said the attorney general's office isn't ignoring the revelations. But he said the state has to proceed carefully before pursuing its own criminal charges. The broad federal investigation into corruption in Alaska politics doesn't appear to be close to finished. The feds don't want interference from the state, according to Colberg.

"They've made it clear enough that they appreciate us not stepping into the middle of something that's ongoing," Colberg said.

He said the federal government has also declined to share the results of its investigation with the state.

Jurors on Tuesday convicted Eagle River Republican Kott on federal charges of conspiracy, bribery and extortion. Next up are federal trials of former Republican state Reps. Vic Kohring and Bruce Weyhrauch. It's clear the federal government is investigating other Alaska politicians as well, including U.S. Sen. Ted Stevens.

The state is under a lot of pressure to act instead of relying on the FBI to clean up corruption here. The Alaska Public Offices Commission, a state agency known as APOC, has decided to investigate political polls Veco and possibly other companies bought for candidates.

APOC Executive Director Brooke Miles said the commissioners determined that, with all the public scrutiny and seeming unhappiness with APOC's lack of action, they wanted to find out the facts.

There was testimony at Kott's trial that Veco routinely paid for candidate's political polls, including a $20,000 poll for then-Gov. Frank Murkowski last year before he was a declared candidate for re-election. One of the federal charges against Kott was that Veco illegally bought him a poll.

It's not clear what APOC will do with the findings of its investigation into the other polls paid for by Veco. APOC says it is hindered by the one-year statute of limitations in state law on imposing civil penalties for campaign violations. The polls brought up at Kott's trial are more than a year old.

There is no one-year statute of limitations on criminal charges. APOC doesn't have the authority to pursue criminal matters but could refer its findings to the state attorney general's office. Miles, the APOC director, said that's a possibility.

APOC has only a single investigator. The attorney general's office, while lacking the manpower of the FBI, could call on state troopers and criminal prosecutors for a corruption probe.

FBI - Stevens-1230

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MORE THAN JUST POLLS

A pair of Democratic legislators from Anchorage, Les Gara and Harry Crawford, wrote APOC and the state attorney general this week to urge action. They said the state must investigate the polls and other apparent criminal acts that came up in Kott's trial and related federal indictments.

"The scope of this misconduct is unprecedented, and taking no action simply condones this conduct," their letter said.

Gara and Crawford said the illegal acts weren't limited to polls. They pointed to federal indictments in which Veco executives Bill Allen and Rick Smith pleaded guilty to paying "more than $10,000" in expenses for candidate fundraisers, knowing the money would be ultimately recorded as legitimate corporate expenses.

That violates the ban in state law on corporate contributions to candidates, Gara and Crawford said.

The indictment does not mention which fundraisers were illegal. But former Veco executive Smith testified that he organized many fundraisers, including the annual pig roast for Alaska Congressman Don Young.

'SPECIAL BONUSES'

Smith and Allen also testified about Veco's "special bonus program," where the company would reimburse Veco executives for campaign contributions.

That's also against Alaska law. Gara said that not all the former Veco executives involved in the program are under federal indictment, and maybe they should be under state indictment.

The state should also investigate what legislators besides those charged by federal prosecutors benefited from Veco in violation of state law, he said. So far, all legislators indicted have been Republicans.

"There's a lot the state can do," Gara said.

Gara said the state could pursue criminal charges on issues like illegal polls without interfering in the much broader federal investigation. Gara said, at this point, it looks like the state is doing nothing.

Colberg said he could not comment on any proposed or ongoing investigation. Colberg did not rule out the idea of the state going after side issues such as political polls without messing up the federal probe.

"We do not overlook the idea there is something they may not pursue that we may be able to," the attorney general said.

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Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

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Alaska Politics

Murkowski, Clark respond

Posted by Alaska_Politics
Posted: September 27, 2007 - 11:29 am

From Kyle Hopkins in Anchorage --

This week, we ran a story about political polls paid for by Veco. In the story, pollster David Dittman said that as best as he can remember, former Gov. Frank Murkowski's chief of staff, Jim Clark, had him bill a $20,000 poll to the company.

Yesterday, the editorial staff ran an opinion piece about the poll.

Clark called this morning with a prepared statement on behalf of himself and Murkowski.

He said:

"The allegations in the editorial are unfounded. Neither Gov. Murkowski nor I instructed David Dittman to do a poll and bill it to Veco. APOC reports show that the Murkowski campaign paid Dittman $102,000 during the primary campaign."

(Clark had declined to comment for the original story.)

After talking to Clark, I called Dittman and read him the statement.

"Wow," he said. "Wow, wow, wow. Geez, I hate to get into this ..."

I asked if the statement from Clark and Murkowski is true.

"No," he said.

A moment later he added: "The best way to say it is, that's not the way I remember it."

Dittman said he and Murkowski have been friends for 30 years and that in his view, there was nothing wrong with the poll.

He said he remembers conversations with Clark about billing Veco. "There were conversations... as I remember it. That's what I was suggested to do. And that's what we did do."

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19 September 28, 2007 - 9:26pm | Stumpy1

The totality of the corruption

Every once in a while a writer up in Fairbanks publishes work that is so well written, and insightful, that it must be shared.

The Yates piece below is as good as the piece written by Lori Backes last year in which she first used the moniker, 'Corrupt Bastards Club', or CBC, to describe VECO's corruption of the Alaska Legislature.

VECO stench corrupts GOP
By DOUGLAS YATES

"A fetid smell circulates in the forest this time of year. Rotting vegetation and decaying mushrooms forecast the change in seasons. But there's another odor slapping the faces of Alaskans these days. For many, it's unthinkable, but as details emerge from the federal court house in Anchorage, it's impossible to deny. It's like finding a freezer full of salmon after the power's been off for a week.

The spoiled legacy of Alaska's Republican Party has stained the carpet and mold is climbing the walls. The entire building

Alaska Politics

This is the place for news on Alaska politics -- state, local and national. Public life in the Last Frontier may never have been more interesting than right now -- the broad and still-evolving corruption investigation, a new governor, powerful members of Congress under scrutiny, and the usual hardball politics on the state, national and local levels. Come here for the latest news and join the discussion.

Contributors

Kyle Hopkins
Kyle Hopkins writes about Anchorage city government and politics. He covered last year's campaign for governor, and has blogged extensively about Alaska politics for the past year. He grew up in Southeast Alaska and was a reporter at the Fairbanks Daily News-Miner and Anchorage Press.
E-mail Kyle at khopkins@adn.com.

Sean Cockerham
Sean Cockerham writes about Alaska state politics. He spent three years based in Juneau for the Daily News before joining the Tacoma News-Tribune two years ago to write about Washington state politics. He went to Iraq twice for the News Tribune, and previously wrote about Alaska government and politics for the Fairbanks Daily News-Miner. Now he's back in Anchorage.
E-mail Sean at scockerham@adn.com.

Erika Bolstad
Erika Bolstad covers Alaska issues, including the congressional delegation, from Washington, D.C., for McClatchy Newspapers. Before joining the bureau this summer, she spent seven years as a reporter at the Miami Herald, where she covered politics, government and the state legislature.
E-mail Erika at ebolstad@adn.com.

Archive

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Juror: Please replay Exhibit 15 - 9/25/2007 2:36 pm
Assembly: Pools, poo, money and ethics



Alaska's Top Jobs all 87 top jobs

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Planned Parenthood of Alaska

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West Anchorage: A pleasant setting and voluminous floorplans will put your mind and body at ease.



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may need to be demolished if there's any hope of recovery.

Here's what we know. Until the FBI raided Juneau, the sellout of Alaska was a crime in progress. The state's oil and fisheries resources, as well as our integrity and sovereignty, were being auctioned off by predatory capitalists and their hired stooges. The bribery conviction on Tuesday of Pete Kott, the former Speaker of the House, confirms what many have known for years.

- 9/25/2007 2:27 pm
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VECO was an oil field contractor. Its former chairman, Bill Allen, and Rick Smith, his lieutenant, made more than $400,000 in payoffs to elected officials. Their testimony and FBI evidence has implicated many current and former state and federal legislators for accepting bribes and favors for official actions or access.

So far, they include: state Sen. John Cowdery, former state representatives Bruce Weyhrauch and Vic Kohring, and former state Sen. Ben Stevens.

Rep. Don Young and Sen. Ted Stevens are under similar investigations. Another former legislator, Tom Anderson, was recently found guilty of accepting bribes. Anderson's wife, state Sen. Lesil McGuire, is being investigated for conflict of interest in another matter. Randy Ruedrich, Republican Party chair, was fined for political organizing while working for the state.

The major conspiracy appears to subvert legislation to the benefit of Alaska's big three oil companies, ConocoPhillips, Exxon and BP. In a phone call taped by the FBI, Allen and Jim Bowles, president of ConocoPhillips Alaska, talk about working behind the scenes to keep tax rates below a certain number.

Perhaps that's why ConocoPhillips is running diversionary TV spots headlining the chump change it throws at Creamer's Field Migratory Waterfowl Refuge and Potter Marsh. "Environmentalists" greenwashing Big Oil's white-collar crimes epitomize the depth of its influence.

Sen. Ted Stevens is the longest-serving Republican in the Senate, and fish rot from the head down. His careless lack of attention to the power of his office, his single-minded focus on grabbing money for Alaska while ignoring ethical standards, has attracted flies. It's time to clean camp.

Who in their right mind would allow VECO to act as his agent on a home-construction project? It's been an open secret for years that Allen's money greased the skids in Juneau. Did Uncle Ted think we were all blind?

A senator with a grasp of his place in the arc of history would have used his current term to groom a replacement. But at 84, Stevens has no protégés because there is no accountability in the Republican Party.

It's a free-for-all. Everyone is on their own; steal as much as you can carry. According to Allen, Ted's son Ben took more than $240,000 of VECO money while serving in the Legislature. Largely unmentioned yet is the $900,000 funneled to the younger Stevens in fees for allocating federal grants to seafood companies. Father and son wallowed in a moral cesspool and thought it smelled like roses.

Not to be outdone, Sen. Lisa Murkowski showed her family colors with a sweetheart deal for prime Kenai River property. It was sold to her by Bob Penny, a wealthy developer with a stake in fisheries legislation. When it was made public, Lisa denied special advantage but was soon overcome with buyer's remorse. She quickly dumped the property, but voters must wait until 2010 to express their regrets.

Rep. Don Young has been throwing federal transportation money around the country like a sliage farmer spreading manure, apparently expecting a return on the investments. Young's $10 million Florida highway earmark was rejected by locals, except for a nearby landowner who sent $40,000 to Don's re-election campaign. With an investigation under way, Young is spending $250,000 for lawyers to shrink the stink.

Alaska's Constitution is a model of open government, but that didn't protect it from being sold down the river. Today's Republican Party is a club of glad-handers, thieves and liars, people who appear sincere then stab Alaskans in the back. Voters and the press, however, can't escape blame.

Malfeasance grows in a climate of apathy and weak journalism; it's a cancer that undermines Alaska's future. The cure is more sunlight."

Yates has made this work available for distribution. Copy/paste and email it to your friends.

This piece was also picked up and published by the News-Miner today, at the following link:

http://newsminer.com/2007/09/28/9086

reply »

13 September 28, 2007 - 8:45am | jewar79

The Murkiski -Clark pollster claims

First of all there are sevrial reasons to open an investigation under the entire Murkey administration period.We can only hopt that he and his are not allowed to just walk away from office in a very few short hours and never to be heard of until now ! think about that statement.We have heard excessive amount of news -information to be aware that his admi9n,has a lot of un answered questioins.We are 100% positive that an full investigatioin should be administered byt under the FBI,bacause every state investigation against the state or its peole will anways be tainted and in the state favor.As a 56 year citizen of Alaska ,we demand an full federal investigation be done ASAP.This guy came in here fromWA Dc and trashed every senior as his very first adminustrative act.

FBI - Stevens-1233

reply »

17 September 28, 2007 - 12:50am | pp05416

KYLE

Why is the link to the Article "Big oil fights change in tax" currently sending this message?
"Internal Server Error
The server encountered an internal error or misconfiguration and was unable to complete your request.
Please contact the server administrator, support@nandomedia.com and inform them of the time the error occurred, and anything you might have done that may have caused the error.

More information about this error may be available in the server error log."

This really worries me.

reply »

September 28, 2007 - 11:31am | Alaska_Politics

Link

I don't see the link ... where did you originally see it?

Kyle

reply »

September 28, 2007 - 3:57pm | hey_georgie_girl_98

Where did you move the article on Big Oil?

Where did you move front page articles after they get bumped?

reply »

September 28, 2007 - 11:50am | leowassilie

fixed

it's fixed now.

probably a misaligned link.

reply »

16 September 27, 2007 - 8:36pm | akallegro

Kyle

does ADN have any ongoing attempt to get a response from Jim Clark and Governor Murkowski regarding the Jim Bowles and Bill Allen recording?

Bowles reveals in that recording that he is privy to Clarks schedule as it pertains to the Legislature and PPT. Bowles states that Clark has informed Bowles that he has scheduled a meeting with Representative Kelly.

Bowles tells Allen regarding that meeting "if thats the only contact he's made then thats OK" and its "OK because he (Clark) felt that Harris had asked him to have that meeting".

Those quotes from the conversation establish that the Governors chief of staff was revealing to Bowles who he was contacting in the Legislature regarding PPT and in addition was assuring Bowles that he would not have additional contact with other legislators.

I would ask Clark:
Why was he sharing with the president of Conoco Phillips, information about who in the Legislature he was meeting with to discuss PPT, when they are one of the very company's PPT was going to affect?
Also, why did Clark feel compelled to assure Bowles that he would not have any other contact with legislators regarding PPT?

I would also ask Murkowski if he was aware that his chief of staff was sharing this type of info with Bowles and making commitments to him regarding who he would and would not have meetings with.

Has anyone at ADN submitted the same line of questioning to Bowles?

Another nugget that is revealed in that same conversation? Bill Allen states that he is aware of what Rep. Kelly said to Clark during that meeting. The meeting happened the very morning the phone conversation was recorded so somebody was updating Allen very quickly.

FBI - Stevens-1234

Is ADN pursuing Kelly as to why Bill Allen would have that information? Allen doesn't make it clear if he got the info from Kelly or Clark. Perhaps there was someone else in the meeting?

Given the Ruedrich incidents and Clarks failure to respond then, this issue certainly seems like it warrants the ADN's close scrutiny. I hope there is someone working on it.

Relentlessly.

reply »

September 28, 2007 - 11:23am | Alaska_Politics

Akallegro,

Editor Pat Dougherty talks about that recording on his blog ... **click here.**

Kyle

reply »

September 27, 2007 - 10.14pm | sewinds

While you're at it Mr. Hopkins.

Could you look into the special interest groups and their lobbyists who are advising Palin on gasline issues? Who's advice she's taking and who she refuses to talk to. With declining oil field production and investment and a huge economic disaster coming Alaska's way it seems that Palin's advisers, her special interests and their lobbyists need closer scrutiny.

reply »

15 September 27, 2007 - 7:00pm | Natalie_O

Where I sit, Palin is not the worry right now

Unless Palin does something unethical and dishonest, or criminal, she will remain Governor until her term expires. We can't change that and we have to deal with it. Personally, I think her actions so far are uncomparable to those of her predecessor, as if to say, I think she's doing a fair job. As for Murkowski, you people had voted for him in the past, not me, so you need to lay in your own bed. I have a clean conscience about that, besides, its too late to do anything about M. He should have been removed from the position long before his term expired. But right now, we have to get this corruption mess cleaned up first before we can move forward, with our without Palin. What bothers me more than Palin is the fact that we have an unethical and corrupt DC Senator and the same for a DC Congressman, of which both have not been charged with anything even though testimony has come out in the trials that would dictate that some form of legal action is required and needs to be taken. To me, this is more troubling than anything going on with Palin.

reply »

14 September 27, 2007 - 6:39pm | BravoSierra

Murky and Clark are banished

Now get rid of this guy-quick
http://www.adn.com/front/story/5572779p-5504444c.html

reply »

13 September 27, 2007 - 6.36pm | leowassilla

I wonder

wow.
wOw.
woW.
Wow.
wOW.
WoW.
WOw.
WOW!

A man of many words.

reply »

12 September 27, 2007 - 3:57pm | windham

Pathological Liars

Jim Clark and Frank Murkowski are professional, pathological liars, always have been, always will be. Putting them under oath will make no difference. Dittman is obviously the truth-teller in this matter.

reply »

September 27, 2007 - 5:49pm | Ter_H

Blunt and

accurate.

reply »

September 27, 2007 - 11:07pm | seewhy

he should have just had jim say

that he paid every bill for polling he was presented with.

reply »

FBI - Stevens-1235

September 28, 2007 - 9:44am | realist

Good one there

Was going to say this earlier, but today's ADN editorial beat me to the punch -- legally, I'm not sure if it matters too much whether Murky himself asked for the poll. If he accepted it, then that's some kind of violation right there. Seems like Clark is already doing the lawyerly word-parsing thing.
And it makes me wonder -- how come nobody's lining up to give ME $20,000 gifts????? How do we regular people get in on this gig?

reply »

September 28, 2007 - 10:47am | HD

Simple...

We're not Bill Allen's "friend." Murky, Kott, Kohring, Don, Ted and Ben, etc. WERE his

friends. Isn't it sad to see a friendship end?

reply »

September 29, 2007 - 8:00pm | pp05416

The only time I can remember Murky getting

off his a** in the Senate, he sponsored one bill that is the reason direct deposits to my credit union account now don't get posted until Friday rather than Wednesday. (Unfair competition to his banking lobby who make extra $$$ on the money market!) The other is when Daschle wrote a bill to open NPR and Murkowski, seeing that he might get flack for neglecting his duty, started whining that he should be a co-sponsor. Murky is part of the Big Oil conspiracy to lock up our petroleum resources, so they can control the prices in America and greatly increase profits. All the while blaming "greenies". Prison is only too good for him. After that he became governor and bent over backwards every time multinationals came a callin'.

reply »

11 September 27, 2007 - 2:45pm | Stags_Leap

Palin-bots

the prom queen needs to start governing the state -and actually do something other than issuing press releases and blaming Frank for everything.

That's the downside to this entire scandal. Everyone is focused on the CBC and other investigations, and no one is paying attention to what the hell is happening in the Gov's mansion -or should I say in the Valley. The PPT is a fiasco, MatMaid is a joke, and AGIA is doomed to fail....

reply »

September 27, 2007 - 6:18pm | BravoSierra

first things first

I am amazed you haven't yet blamed the "Prom Queen" for global warming.

How about cleaning out all the dirt/crooks and then starting to get our house in order?

You are sinking to the same level of credibility as bobbyt. Not yet, but you are getting closer.

reply »

September 27, 2007 - 7:12pm | Stags_Leap

the point my little Palin-bots

is that others' mistakes in the past are giving your queen a free pass to do nothing. Sure - they should all burn in hell.

But I am more concerned with today -and the decisions she is making now -or lack of decisions -on running the state. PPT, MatMaid, and AGIA are just the tip. What about domestic violence rates in this state? What about affordable health care for children in this state? What about doing something to improve the standards of living for all Alaskans - instead of empty rhetoric through press releases that piggyback on to the demise of the CBC boys?

reply »

September 29, 2007 - 8:45pm | pp05416

More likely

BP-bots, Conoco/Phillips-bots, and Exxon-bots. Icicle-bots, Princess Cruise-bots, etc.. You put the ads up - I do as you say masters or I'm destined to suffer your wrath! By the way Stags, when have any of your concerns been addressed in the past. Thee's no money in the offing for the CBC boys.

reply »

September 29, 2007 - 9:54pm | gilld

You Forgot

Oil-Can-Dan Fagan-bots. :-)

reply »

September 27, 2007 - 9:18pm | barracos_pizza

What is this?

Is this some kind of spam bot?

reply »

September 27, 2007 - 7:41pm | rfn

And besides....

Being governor is a man's job!

reply »

September 27, 2007 - 10:42pm | sewinds

Palin mismanagement syndrome

FBI - Stevens-1236

Being governor is a FULL-TIME job. It's blatantly obvious Palin's not focused as she chases one crises after another instead of being in front of them.

reply »

September 28, 2007 - 10:14am | rfn

However....

Being Mayor of Anchorage is also supposed to be a FULL-TIME job but the occupant moonlights as a radio talk show host. Perhaps you'd feel better about the governor if she'd take up talk show hosting, too?

Oh, but wait! I forgot....the boy mayor is male and therefore possessed of super powers so can handle multiple jobs.....but the governor refuses to shed her shoes or get pregnant.

reply »

October 1, 2007 - 10:20am | AK_Lady

Ha!

I'd pay to hear Palin host talk radio!

Can you imagine?

reply »

October 1, 2007 - 10:50am | rfn

Ambiguous but fun to guess.....

Whether one might imagine Palin hosting talk radio?

Whether one might imagine you paying for something instead of relying on government to provide it free?

One is more believable than the other....question is, "which"?

reply »

October 1, 2007 - 11:55am | AK_Lady

Huh?

What is it you think I reply on government to pay for? Talk radio?

reply »

October 1, 2007 - 12:48pm | rfn

Anything

that government might be willing to pay for.

But that was choice #2.....

I really had expected you to choose #1.

reply »

September 28, 2007 - 9:01pm | F_Firkle

One day, rfn, should we ever

One day, rfn, should we ever meet, I shall make an effort to buy you a beer, or whatever fits the bill at that moment.

I've appreciated your clarity, dry sense of humor, and thoughts.

Cheers. And keep up the good work. ;^>)

reply »

September 28, 2007 - 10:40am | sewinds

The Palin Show with no edits

Ooh Baby. Like she can put thoughts together into one cohesive sentence also? She'd have to talk about more than just Piper's toothbrush and the bad ethics of everyone else but herself and anonymous bloggers and would have guests (her "special-interest" advisers and people from the valley) to fill the dead empty air.

Get real. Palin's a soundbite kind of gal. Erratic and scatterbrained.

reply »

September 28, 2007 - 10:23am | akgen

ah rfn you keep forgetting,

"chained to the stove".... I really don't understand how you of all people could forget this detail !! just joking. I did post a owl soup receipe a while back ... did you get it?

reply »

September 28, 2007 - 12:20pm | Stags_Leap

where's the humor?

FBI - Stevens-1237

I have to quote Bacon -which seems rather appropriate for the two of you -stoking your own jokes.

"Imagination was given to man to compensate him for what he is not; a sense of humor to console him for what he is."

reply »

September 28, 2007 - 12:33pm | akgen

Staggering while leaping,
lets hope it doesn't ruin the rest of your day.

reply »

September 28, 2007 - 3:43pm | rfn

To the extent
that such deep concern over nonsense built upon the original nonsense kept one person from jaywalking.....it was a massive success!

reply »

September 28, 2007 - 3:52pm | akgen

jaywalking ?
I hate to counterpoint or disagree with some of your fine words, but don't you mean, jayleaping? lol.

Anyhow, I guess Palin and Galvin will be on the radio this pm - 4 oclock hour on kudo1080. They're going to talk ACES and why not "go for the gross".

reply »

September 28, 2007 - 3:56pm | rfn

Jayleaping is not a problem
so long as the leaps are of sufficient breadth to go from one side of the street to t'other without touching down in the middle or bouncing off the roof of a passing police car.

I guess I'll have to read about the Palin/Galvin stuff; just tried again to tune KUDO, even in the truck which has a pretty decent radio. Just not enough signal. Now if they had some union technicians maybe things might be better?

But, alas, a union-owned station whose staff is not unionized.

reply »

September 28, 2007 - 4:06pm | akgen

Use the internet
and listen online. kudo1080.com. Thats what I got to do. I've not the antanna strength to receive it. Oh well. However I do want to know why she was dragged away from the gross kicking and screaming.

reply »

September 28, 2007 - 4:26pm | rfn

Thanks!
I wish it worked....but it didn't. I did manage to get to the station's website and, after a little stumbling, found a "Listen Live" "button".

It caused the browser to churn and churn and churn and then to crash. Not only the browser, the entire cable modem! Had to restart the browser, the computer, and finally the modem just get back here. Then I tried it again....which is why I was away so long. This time it just timed out.

I'm no fan of this "ACES" thing. Anything much more complex than basing a tax on the gross is just inviting chicanery. The rate doesn't bother me....make it whatever great minds agree upon....but make damn sure the determination of what's owed is simple and as near to possible as being diddle-proof!

reply »

FBI - Stevens-1238

September 28, 2007 - 12:23pm | seewhy

mmmmmm.
bacon.

reply »

September 28, 2007 - 1:38pm | Stags_Leap

or
instead of "imagination" in that quote I should use "the ADN Blog" -as you Palin-bots obviously got some serious issues.

Let me know when Palin does something other than screw up MatMaid, the PPT, or AGIA. Her press releases are meaningless.

reply »

September 28, 2007 - 9:29pm | barracos_pizza

PPT..
Okay Stags, you're right. PPT is fowled up.We need to get to the bottom of this Palin PPT connection now. Let's send in a team of investigators.

Let me see, was Governor Palin the governor when PPT was enacted? I think I would first check the last number in the year PPT was passed, and the year when she was inagurated which is 7.

Let call up some of my "deep throat " connections in the Gov't and see if I can get any information.

reply »

September 28, 2007 - 1:50pm | sewinds

Sound of silence
LOL. You're going to wait a long time Stags. Palin can't even get Piper to brush her teeth.

reply »

September 28, 2007 - 10:29am | rfn

No, No, NO!
Can't keep 'em chained to the stove! A chain long enough to let 'em get to the backyard to split the firewood would damage the vinyl on the kitchen floor! Worse, it would wake the master of the house from his nap.

Thanks for the recipe....though it turned out I didn't need it. My son found the box of "Spotted Owl Helper" I gave him way back when.

Any takers for the recipe for the special sauce as made on The Seward Penninsula?

reply »

September 28, 2007 - 10:42am | akgen

vinyl ?
must be nice... but plywood holds the heat in better, but I suppose vinyl helps avoid wood splinters in the tootsies. lol

That whole conversation about 'special sauses' started a entirely new set of recordings from grams on good foods, from "way back in the day".

reply »

September 28, 2007 - 10:48am | rfn

Vinyl over plywood!
Ya gets it both ways....no splinters and it does allow the use of somewhat longer chains as it mildly controls some of the noise. Now if somebody would just invent a light-weight vinyl covered chain the concept of "chained to the stove" might work whilst still allowing enough length for the wench to reach the woodpile!

Besides, wood floors imply hiring a flooring contractor who deals in hardwoods! Any reader of this blog KNOWS that all hardwood floor installers are corrupt.

reply »

September 28, 2007 - 11:20am | prey

ovaries,
both these chicks got them. And a pair of chain cutters and

FBI - Stevens-1239

link crimpers. I wouldn't put it beyond them to cut those chains off and recrimp them to another unsuspecting ankle.

reply »

September 28, 2007 - 3:57pm | akgen

hey prey,

How about some of them old cb radio jokes you used to do? Sometimes we need a good laugh around here.

reply »

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FBI - Stevens-1240

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Alaska Politics

Murkowski, Clark respond

Posted by Alaska_Politics
Posted: September 27, 2007 - 11:29 am

From Kyle Hopkins in Anchorage --

This week, we ran a story about political polls paid for by Veco. In the story, pollster David Dittman said that as best as he can remember, former Gov. Frank Murkowski's chief of staff, Jim Clark, had him bill a $20,000 poll to the company.

Yesterday, the editorial staff ran an opinion piece about the poll.

Clark called this morning with a prepared statement on behalf of himself and Murkowski.

He said:

"The allegations in the editorial are unfounded. Neither Gov. Murkowski nor I instructed David Dittman to do a poll and bill it to Veco. APOC reports show that the Murkowski campaign paid Dittman $102,000 during the primary campaign."

(Clark had declined to comment for the original story.)

After talking to Clark, I called Dittman and read him the statement.

"Wow," he said. "Wow, wow, wow. Geez, I hate to get into this ..."

I asked if the statement from Clark and Murkowski is true.

"No," he said.

A moment later he added: "The best way to say it is, that's not the way I remember it."

Dittman said he and Murkowski have been friends for 30 years and that in his view, there was nothing wrong with the poll.

He said he remembers conversations with Clark about billing Veco. "There were conversations... as I remember it. That's what I was suggested to do. And that's what we did do."

add new comment

September 27, 2007 - 6:11pm | gilld

Stags_Leap

Was Governor Palin mentioned in this article? I've read it twice now; both times it seems to be only about Murkowski, Clark and polls conducted by Mr. Dittman.

Did I miss something?

reply »

September 27, 2007 - 6:26pm | sewinds

Good point Gill

What about ALL the polls Big-Boy Dittman has done for Palin during and after her campaign? Did he share them with her? You know, during the campaign? Did she disclose ALL of them as campaign donations? How much? Since becoming governor BB Dittman has been polling. Is he sharing them with her? How much? Palin disclose these gifts too? Were is the report on gifts to the governor?

reply »

Alaska Politics

This is the place for news on Alaska politics -- state, local and national. Public life in the Last Frontier may never have been more interesting than right now -- the broad and still-evolving corruption investigation, a new governor, powerful members of Congress under scrutiny, and the usual hardball politics on the state, national and local levels. Come here for the latest news and join the discussion.

Contributors

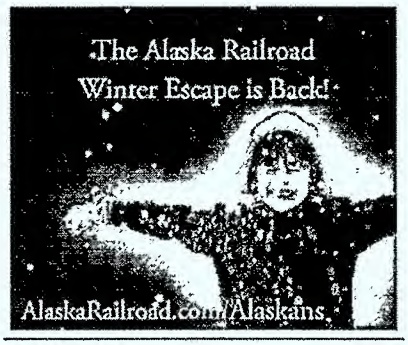
Kyle Hopkins
Kyle Hopkins writes about Anchorage city government and politics. He covered last year's campaign for governor, and has blogged extensively about Alaska politics for the past year. He grew up in Southeast Alaska and was a reporter at the Fairbanks Daily News-Miner and Anchorage Press.
E-mail Kyle at khopkins@adn.com.

Sean Cockerham
Sean Cockerham writes about Alaska state politics. He spent three years based in Juneau for the Daily News before joining the Tacoma News-Tribune two years ago to write about Washington state politics. He went to Iraq twice for the News Tribune, and previously wrote about Alaska government and politics for the Fairbanks Daily News-Miner. Now he's back in Anchorage.
E-mail Sean at scockerham@adn.com.

Erika Bolstad
Erika Bolstad covers Alaska issues, including the congressional delegation, from Washington, D.C., for McClatchy Newspapers. Before joining the bureau this summer, she spent seven years as a reporter at the Miami Herald, where she covered politics, government and the state legislature.
E-mail Erika at ebolstad@adn.com.

Archive

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New sheriff in town? - 10/1/2007 3:22 pm
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Verdict reached in Kott case - 9/25/2007 2:48 pm
Juror: Please replay Exhibit 15 - 9/25/2007 2:35 pm
Assembly: Pools, pco, money and ethics



Alaska's Top Jobs all 87 top jobs

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Lynden Air Cargo, LLC

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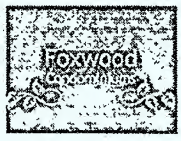
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Homescape find

Search ADN Real Estate | Place a homes ad
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Top Rentals more

Foxwood Condominiums
South Anchorage: heated garage parking, woodburning fireplaces, shopping and fine dining nearby!



3 of 12

FBI - Stevens-1241

September 27, 2007 - 7:28pm | gilld

Tutorial

Excuse me if this posting sounds overly much like a lesson, as that is what I do in my professional life and I sometimes fall into the habit post-workday. Let me just post this hyperlink to a tutorial on hyperlinks.

- 9/25/2007 2:27 pm
Notes from the jury - 9/25/2007 11:43 am
Jury quits for the day - 9/24/2007 4:58 pm
To the jury - 9/24/2007 12:24 pm
More commentary from inside Courtroom 3 - 9/24/2007 9:26 am
Veco polling - 9/23/2007 8:57 am
full archive »

You can use hyperlinks to give the reader a clickable link to another web site where you, the poster, have found information that you want the reader to, uh, read. The reader, then, is able to verify what it is that you, the poster, are stating or claiming.

For example, you could hyperlink to a site listing "...ALL the polls" Mr. Dittman (I don't know him personally and so can't refer to him as "Big-Boy") has done for Gov. Palin. Or you could link your reader to a site detailing Gov. Palin's gifts, or the APOC documents showing her (or any politician's) campaign contributions.

Or are you just asking rhetorical questions in your postings?

reply »

September 27, 2007 - 10:26pm | sewinds

More rhetoric

You'll have to excuse me gilld. I'm new to this blog thing and remember when typewriters were the only machines around. Good ideas about the links to the polls and the guv's gift report on her website. (I didn't find anything close on her website.) Enjoy your youth gilldy.

reply »

September 28, 2007 - 6:27pm | gilld

Thanks, sewinds

But the important question I (and perhaps others) have: did you find *anything* you could link us to? Poll reports, gift reports, anything? Anything that would support, or not support, the claims you make in your posts?

And an additional thanks: I did enjoy my youth! It's just possible I may have a year or two on you, sewinds. Just this week I completed paperwork for my second retirement from working life: yep, I'm a double-dipper. And son-of-a-gun, I learned to type on manual typewriters, too! And when personal computers became widely available, learned how to use them (also discovered this feature called a spell checker; I recommend it to all my friends).

reply »

September 27, 2007 - 6:16pm | HD

All symptoms are present...

Stags is suffering from PDS - Palin Derangement Syndrome. Apparently incurable. Sad. Let's hope the suffering won't be long...

reply »

September 27, 2007 - 6:58pm | gilld

True, HD

Stags (and sewinds, too) do suffer mightly from PDS. I'm sure the Service High School quarterback's recent broken leg will be shown to have been caused by Sarah Palin, no, really!

reply »

September 27, 2007 - 7:05pm | Ter_H

Sarah did NOT cuase the quarterback's leg to be broken.....

because it is Frank's fault. ;-)

reply »

September 27, 2007 - 7:20pm | gilld

...And Clark!

:-)

reply »

September 27, 2007 - 7:47pm | Ter_H

Ding!

HaHa.

reply »

10 September 27, 2007 - 2:44pm | hey_georgie_girl_98

Murkowski, Clark respond

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FBI - Stevens-1242

Sworn testimony, under oath vs. a prepared statement.

reply »

9 September 27, 2007 - 2:36pm | Stags_Leap

pointless

It's a he said -she said issue. And the state laws are so vague on this issue anyway -it's not something that would send Frank to jail -even if they could show VECO paid for $20K in polls. He would do a Don Young and revise his his campaign reports.

This is a non issue.

reply »

September 28, 2007 - 9:17pm | F_Firkle

A non issue? Perhaps so.

A non issue?

Perhaps so.

But if it's shown that he and Marquez conspired when APOC was reportedly instructed by Marquez to not investigate Ray Metcalfe's complaints about Benny Stevens, then perhaps a federal conspiracy or obstruction charge might stick.

And that's assuming that no evidence is uncovered re. 'other gifts, promises, or payments' that VECO or others might've slopped frankie's way.

Then there's that letter from Murky's office to U.S. Sen. Pete Domenici, then chair of the Senate Energy Committee (and currently also under investigation), stating that GW's plan (page 118 of Shrubco's energy bill that year) to empower the Secretary of the Interior to waive up to 100% of revenues from drilling in NPR-A was just fine and dandy, as it would be one method of "stimulating exploration and development on the North Slope." A field that was surveyed as having 13 Billion recoverable barrels of oil (as of approximately 3-4 years ago).

Murky's dirty, in my opinion, and I hope that he fries hot.

reply »

8 September 27, 2007 - 2:09pm | edgefinder

Vegas should be making odds on this.

Indictments pay 3 to 1.

and 10 to 1 Frank walks the plank.

Or I guess would those odds be too generous?

I guess it depands on how the syncophants bet.

reply »

September 27, 2007 - 2:22pm | leowassilie

Kinda like..Nenana Ice Classic

The real odds should be placed in these guys not only getting indicted, but in them getting PARDONED before GW leaves office.

Tune in.. December 26, 2008.

reply »

September 27, 2007 - 10:55pm | barracos_pizza

Yeah, talk to the

Yeah, talk to the oddsmakers. See if they can cut a deal to get the federal taxes in on it , too.

And how about do those football chance polls for the numbers on the sentences.. $5 bucks sign a square at your local cantina. Voc, Pete,TA, Weyrach, any number of 'em. Double digit sentencing splits the pot between the digits.

reply »

7 September 27, 2007 - 1:26pm | Ter_H

Clark is a POS that, along with Murkowski, have.....

done more to harm our State than 100 Rick Smith's and Bill Allen's combined.

reply »

5 September 27, 2007 - 12:58pm | leowassilie

Moment...

Pete Kott $2,000

Frank Murkowski $20,000.

These guys claiming innocent.. priceless!

reply »

4 September 27, 2007 - 12:48pm | Alaalik

FBI - Stevens-1243

APOC?
Simple matter. Get Dittman's invoice records, and VECO's accounts payables or Allen's checking account statement.

reply »

3 September 27, 2007 - 12:45pm | raingod

$102K
Wow - $102,000. I thought he only worked on the campaign for a few months:
http://community.adn.com/adn/blogs/thetrail/dittman

reply »

September 27, 2007 - 8:24pm | seewhy

102,000, just on polls
and the incumbent governor came in a distant third in a closed primary. blows my mind, man.

reply »

2 September 27, 2007 - 12:43pm | leowassilie

pfft.
These guys are priceless.

reply »

1 September 27, 2007 - 12:22pm | adnak

VECO-Gate!
What are we going to call this sad episode in Alaskan history?

VECO-Gate.

This whole sick era of seeing our legislative representation crumble needs a name for posterity?

VECO-Gate!

What we will we name this shameful period, for history, so that all Alaskans need to just hear it mentioned to know exactly what people are talking about many years from now?

VECO-Gate!

So that it never happens again, and Alaskan pols shudder when they are offered a chance to go astray with our trust?

VECO-Gate.

reply »

September 27, 2007 - 5:13pm | staufen

Maybe it's VECO-DOME
the Thunder cage where lying politicians fight it out - where "two enter, only one leaves" ...

Clark is sitting on the shoulders of the Frankenonsense, Dittman puts them down ...

reply »

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FBI - Stevens-1244

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Senate panel asked to take new look at Young's Florida earmark

FLORIDA: Highway money may be unconstitutional, critics say.

By GREG GORDON
McClatchy Newspapers

(Published: September 27, 2007)

WASHINGTON -- A watchdog group asked the House ethics committee on Wednesday to investigate how a $10 million earmark for a Florida highway interchange, which was backed by Alaska Rep. Don Young, was inserted into a bill that already had won final congressional approval.

In a letter to the committee's leaders, Ryan Alexander, president of Taxpayers for Common Sense, called "the actions taken by Young's staff ... an apparent violation" of the Constitution that undermined the integrity of the House of Representatives.

"In the absence of an accounting and explanation, the public is left to assume the worst, further degrading the already low public regard for Congress," Alexander wrote the committee chairwoman, Rep. Stephanie Tubbs Jones, D-Ohio, and the ranking Republican, Rep. Doc Hastings of Washington. The committee is scheduled to meet Friday.

McClatchy Newspapers reported recently that the FBI is investigating the 2005 earmark for a $10 million study of a proposed Coconut Road interchange near Bonita Springs, Fla., as part of an inquiry into whether Young, R-Alaska, traded his influence as chairman of the House Transportation Committee for campaign contributions or other favors.

On Feb. 19, 2005, three weeks before the House passed a massive, six-year transportation bill, Young visited the site of the proposed interchange along Interstate 75, which was sought by real estate developer Daniel Aronoff. Young also attended a political fundraiser, netting more than $40,000 in donations from builders and developers, including Aronoff, whose land would soar in value if linked to I-75.

The bill that won final passage later that summer earmarked $10 million for "widening and improvements for I-75" in Collier and Lee counties. But on Aug. 10, the language was altered to read: "Coconut Rd. Interchange I-75/Lee County."

Alexander noted in his letter that the earmark was the only one of 6,371 allocations for congressional pet projects to be substantially changed during the "bill enrollment process," in which the House clerk makes technical corrections. FBI - Stevens-1245

Young has maintained that he earmarked the money for the Coconut Road interchange because residents told him they wanted it in 2005 when he attended one of their community transportation meetings.

Alexander said that in 1854, an alleged tiny, but substantive, alteration of a House land grant bill for the Territory of Minnesota after final congressional passage led to an inquiry that concluded that the perpetrator should face "severe censure."

Alexander called on the ethics committee to investigate who substituted the earmark language, who knew of the change and on whose authority it was made.

194A-AN-13620-M;539

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FBI - Stevens-1246

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Alaska Lawmakers Want Info on Veco Ties From Big Oil

By Laura McGann - September 28, 2007, 6:24PM

Two Democratic state legislators in Alaska wrote to three major oil companies today asking whether they were involved in Veco's bribe-laden lobbying effort last year on an oil tax law.

Former Veco CEO Bill Allen pleaded guilty to bribing officials to get a reduction in the tax rate for oil companies, hoping it would encourage them to build a lucrative pipeline. During the trial of former state Rep. Pete Kott (R-AK) last week, the prosecution played a tape of Allen telling ConocoPhillips President Jim Bowles about the lobbying effort. On the tape, Allen is heard saying, "Hey Jim, I told you we would-between-with Pete Kott and Ben we wouldn't have a bill. I know you're probably talking to someone else, but remember what I told you. We got it done."

In their letter, the two state lawmakers asked for reassurance from the oil companies that they were not involved:

> We do not know if anyone at Conoco Phillips, or any of the oil companies engaged in criminal conduct, and do not suggest such conduct occurred. But we have an obligation to the public to make sure we receive reliable assurances that nobody from your companies participated in the improper influence peddling attempts made in 2005 and 2006.

PERMALINK | TOPICS: Veco PRINT SHARE

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Comments (10)

anonymouse wrote on September 28, 2007 11:16 PM:

Wow... more Alaskan politics.

" We're sorry to bother you, but did any of you upstanding gentlemen break the law? We wouldn't even ask if we weren't under scrutiny from the voters right now, so please do not take this personally. Just say NO and all of us will be off the hook..."

It's pretty easy to see (if this letter is any indication) just who these legislators are representing...

Kuparuk wrote on September 29, 2007 12:31 AM:

I think you underestimate the balls it takes for anyone in a political position in Alaska to make direct accusations against the oil industry.

Just as the Bushies will paint anyone who disagrees with the war as "traitors," so do Alaskans paint anyone who appears to be the slightest bit "anti-oil."

The letter is diplomatically worded because these two men are well-educated professionals, written to well-educated professionals. You can't expect something like, "HAI BP UR TEH SUXXORS!!!1111lol!"

WT wrote on September 29, 2007 1:06 AM:

Guiliani fundraiser funded CA electoral scam

FBI - Stevens-1247

194A-AN-13620 - 1540

http://latimesblogs.latimes.com/washington/2007/09/breaking-news-g.html

BREAKING NEWS: Giuliani fundraiser was mystery initiative backer
A close friend and major fundraiser of former New York Mayor Rudy Giuliani has identified himself as the mystery financer of the proposed California initiative to apportion the state's 55 electoral votes by congressional district instead of winner-take-all.

He is New York hedge fund billionaire Paul Singer. He said he provided the $175,000 to initially finance the petition drive to get the measure on the June 2008 ballot. But as The Times' Dan Morain revealed in an exclusive story on this website last night, the drive has foundered on internal disputes and lack of further financing.

Itsjustme wrote on September 29, 2007 1:52 AM:

Anonymouse really missed the mark here. Anyone who would cast aspersions on the ethics of Les Gara and Hollis French (and Harry Crawford, too) is COMPLETELY ignorant. Anyone who suggests that they're beholden to the oil companies is COMPLETELY insane. Gara may be the biggest thorn in the sides of the oil companies in Alaska, if the tape recorded conversations in Suite 604 are any indication.
Gara and French are former prosecutors and know what they're doing. Crawford, an ironworker, isn't a lawyer, but he's a pretty smart cookie, too. If Gara, French, Crawford and a few others, like Ethan Berkowitz, had been running the state, we'd be in a way different situation here.

Anonymous wrote on September 29, 2007 5:12 PM:

What is Lisa Murkowski's husbands background? Verne Martell, does he have prior convictions?

How many people in Alaska politics are convicted felons or are they just all losers on the run?

JD21 wrote on September 29, 2007 6:39 PM:

People are fed up with this.

Maybe that's why Obama is gaining steam. He reminds me of Clinton in '92. Obama now leads Clinton in likely Iowa caucus-goers. Let's not forget Dean, McCain and all the other early leaders who nearly always flame out by the end. Right on the war when it mattered, a uniter and very principled, Obama is a good one to watch.

http://rawstory.com//news/2007/Obama_leads_pack_among_Iowa_likely_0929.html

Steve wrote on September 29, 2007 10:27 PM:

I agree with anonymous that the letter does sound timid, but I the (I assume) Alaskans are right about Gara, Hollis, etc. I'd like to think that Alaska is a view of what is to happen in the US as a whole. The Republican lock on the Senate, House, Governorship, and national delegation caused them to think they were untouchable. The Dems - and there are good ones - are so used to being such minor players while the Republican caucus meets in private, are just starting to get their voices back.

Maybe the same rotting on the national level will be exposed the way it is happening here - through trials where some of the dirt is exposed, indisputably, to the world for what it is.

But it isn't just corrupt people, it's a whole system that isn't simply going to go away by electing new people.

FBI - Stevens-1248

ebeneezer wrote on September 30, 2007 12:23 AM:

I agree there is systemic corruption in politics but the fact remains you cannot legislate morality. Either public officials come to the job with altruistic motives and integrity to match, or they come to line their pockets.

Life is made up of mega temptations, but every one of us, when presented with one or the other of them, make those hard choices that let us keep looking at ourselves in the mirror.

anonymous wrote on September 30, 2007 12:33 AM:

"I agree there is systemic corruption in politics but the fact remains you cannot legislate morality"

I beg to differ.

The reason there are not thousands mmore bank robberies than there is now is directly because of the penalties involved. As long as we continue to allow the politicians to rip off our nation.. they will continue.

On the other hand... if we instill harse punishments (take away retirement... ban from future government positions and lobbying... prison) the crimes will decrease.

I learned a long time ago that folks do not practice unacceptable behavior for two reasons. First, it is against their principles and values. Second, they fear the consequences. If you take away the consequences bad behavior will ALWAYS increase, not diminish.

"You cannot legislate morality" does sound pretty cool, though... IMHO

PalmerBuyer wrote on September 30, 2007 3:00 PM:

One of the biggested problems is not 'morality' per se, it is the feelings of 'entitlement' these people have in common, politicians AND oil companies.

Once upon a time they may have been 'moral', but through the years they have ceased to be able to discern the difference between RIGHT and WRONG. They have compromised for so long GRAY areas became BLACK -- and they didn't even notice! (and the voters didn't either!) Again, the sense of entitlement makes them think that because THEY did it, it is OKAY. And they are doing it for 'our' good.

Well, these persons are WRONG. If it looks like a duck, walks like a duck, and sounds like a duck -- it is still a duck ---- even if you call it a peacock and try to sell it as such.

Be warned: Alaskans are getting ready to TAKE BACK THEIR STATE. And I praise the internet age to allow COMMUNICATION to take place where 'behind closed doors' was a mantra.

SO, If you can't tell the difference between a duck and a peacock, please don't bother running for office. WE know the difference.

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